CALAVERAS
COUNCIL of
GOVERNMENTS

March 11, 2016

Senator Tom Berryhill
State Capitol, Room 3076
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Senator Berryhill,

As you are aware, current law requires the California Transportation Commission (CTC) to revise the Fund Estimate for the State Transportation Improvement Program (STIP) due to lower forecasted state gas tax revenues. The revenues are decreasing dramatically because Californians are buying less gas (due to increased fuel efficiency) and cheaper prices (due to a reduction in the California price-based excise tax on gasoline). The latest forecasts propose a deletion of $754 million in funding for critical transportation improvements from the STIP, which has prompted the CTC to initiate cuts (based upon respective formula shares) across the board from each region's share of the STIP.

What does a cut to the STIP mean for rural counties such as Calaveras?
The STIP funds intercity rail, highways, and transit capital improvements and the formula used by the CTC to distribute these funds is primarily based on the number of registered vehicles in a county. This creates a disproportionate impact on rural counties like Calaveras. For instance, in 2015, the 5-year STIP shares for a large county such as Orange County was $180 million compared to the $6.8 million allocated for Calaveras County. Reductions of 20 to 30 percent of the STIP shares for larger counties will still allow them to deliver a number of their ongoing STIP projects. Calaveras County's small share of STIP funds has afforded the region only one project to fund—the State Route 4 (Wagon Trail) Realignment Project. The CTC proposed cut of $1.5 Million to the Calaveras County STIP share will decimate this region. Decades of community planning to construct the region's number one transportation priority will be undermined by an enormous and disproportionate hit to an already constrained construction budget. The loss of $1.5 Million effectively eliminates the region's ability to construct a high priority project that addresses operational and safety improvements on a state highway.

What is the State Route 4 (Wagon Trail) Realignment Project and why is it important?
State Route 4 is a primary east-west freeway/expressway that connects Interstate 80 in the Bay Area to the Sierra Nevada Mountains. It is an inter-regional commerce route as well as a critical transportation route during disasters such as the massive Butte Fire last summer. Caltrans has engineered and improved much of State Route 4 through Calaveras County except for a 6.1 mile segment between Copperopolis and Angels Camp. From what we understand, this 6.1 mile segment is the last un-engineered Caltrans highway in the state. It is referred to as the "Wagon Trail" because the remaining alignment actually follows the original wagon trail from the Gold Rush. This current alignment follows the mountainous topography resulting in inadequate sight distance and non-standard vertical and horizontal placement. The existing lane width

444 E. St. Charles, Suite A
P.O. Box 280
San Andreas CA 95249
209 754-2094
209 754-2096 (fax)
www.calacog.org

(10') and lack of non-standard roadside shoulders are likely contributing factors to the high accident rate for this segment, including many fatalities.

These roadway deficiencies create a significant barrier for the Calaveras County region to access jobs, health care and access transit to the more urbanized areas such as Stockton and the Bay Area. Removing this barrier will improve the economic vitality of the region and help maintain Calaveras County's reputation as an outdoor recreational destination.

Our proposed project will realign the highway to provide standard 12' travel lanes with 8' paved shoulders, and will be designed to the State standard speed for a controlled access highway which will result in improved sight distances. The improvements to sight distance will increase the operational efficiency allowing drivers to make better decisions, which should significantly reduce accidents. Decreasing the high accident rate and improving the reliability of this critical transportation corridor are the primary reasons why the Calaveras Council of Governments have made this project the number 1 transportation priority. The project also provides for improved bicycle and pedestrian safety.

Why do we need your help?

For the past 5 years, Calaveras County has worked cooperatively with Caltrans and the community to complete the Project Approval and Environmental Documentation phase. Through our success in working cooperatively with Caltrans, the project is being considered for $10.3 Million in State Highway Operations and Protection Program (SHOPP) funds in the 2018 SHOPP for the first phase of construction with a delivery deadline of 2018. This potential funding of $10.3 Million combined with our full $6.6 Million in STIP shares (currently committed to the project) will provide just enough funding to construct the first and most critical phase of the Wagon Trail project. ***If Calaveras County's STIP shares are cut by $1.5 Million as a result of this funding crisis, construction in 2018 will not be feasible and the region will lose its competitiveness for the $10.3 Million in SHOPP funds.*** In addition, Calaveras has invested over $2 Million dollars to undergo the environmental phase and years of community workshops to reach a project milestone—a draft environmental document due next month. Funding a $17 Million dollar state highway project for a large county may be of little consequence. But for a rural county such as Calaveras, it is monumental task to cobble together $17 Million. We fully recognize this is a rare and singular opportunity to improve a critical state highway artery in the region.

What can you do to help?

The Calaveras County region needs your help protecting our STIP allocation, preventing cuts by $1.5 Million or even one dollar. We would greatly appreciate a letter of support from your office to the CTC in support of keeping Calaveras County's STIP allocation at its current level.

Most importantly, for the future of this project and the future of others in our region, we urge you to take action to restore the STIP. We encourage your involvement to help shape current proposals. Yours is the leadership we need to be "part of the solution" and secure transportation funds for rural regions such as Calaveras.

Thank you for your time in considering our specific request to support the Wagon Trail project and addressing the overall problem of transportation funding in the state. Please contact Paul Stein, Policy Advisor at 209-293-7940, or Melissa Eads, Executive Director at 209-754-2094 if you have any questions or would like to discuss this further.

Sincerely,

John Gomes
Calaveras Council of Governments, Chair

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies
Mr. Paul Smith, Senior Policy Advisor, Rural County Representatives of California
California State Association of Counties

SR 4 WAGON TRAIL – PROJECT NEEDS AND BENEFITS

- Local & State Economic benefits by fostering improved access to businesses including those associated with federal lands and recreational attractions offered in the Sierra foothill communities and high country.
- Safety and operational benefits through improvements to deteriorating pavement, sight distances, and addressing design challenges of a non-engineered road.
- Top priority for the region as evidenced by the project being the single project in Calaveras COG RTIP.
- With recent fires, corridor is essential toward improving the reliability of the region's primary east-west state highway for residents, emergency vehicles and fire protection.
- Improves pedestrian and bicycle mobility and safety.

LEVERAGING SHOPP CONSTRUCTION FUNDS AT RISK OF BEING LOST.

- $10.3 Million conditional award in SHOPP for construction in FY 17/18 through an Innovative Pilot Program.
- The region needs the SHOPP funding to build the project.
- RIP (Regional Improvement Program) are matching funds to the SHOPP and removal of RIP jeopardizes this funding commitment.
- The SHOPP funding through the Innovative Pilot Program is a demonstration of partnership- Caltrans and the Region working in collaboration to maximize the delivery of one seamless, integrated project.

DECADES OF CIVIC ENGAGEMENT.

- Community has been directly involved through community workshops in development of project priorities along the corridor.
- Strong community support and expectation of construction.

PROJECT MOMENTUM AND DELIVERY IS ON-SCHEDULE

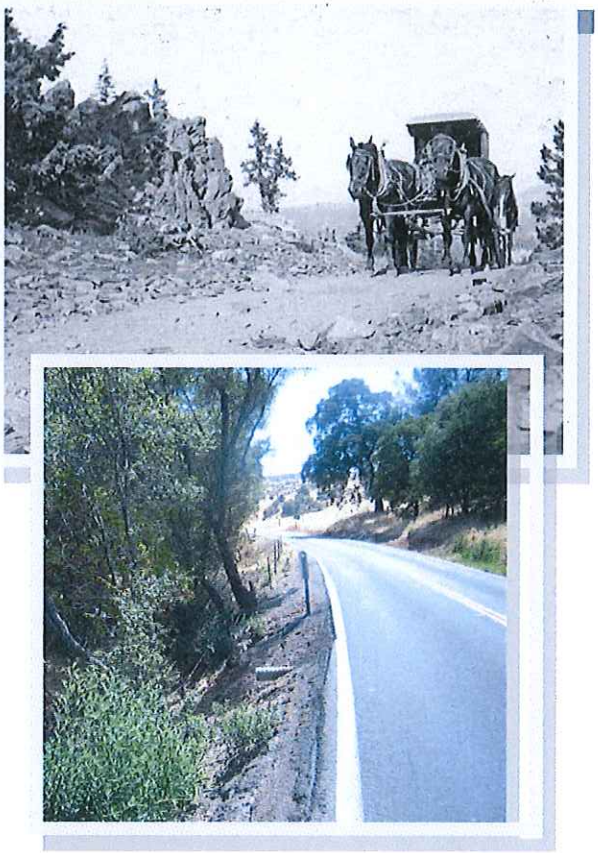
- Environmental clearance anticipated Spring 2016.
- Protect the validity of and investment in environmental studies.
- Need to keep the momentum to meet construction delivery date of FY 17/18 based upon SHOPP programming

ADVOCATE FOR:

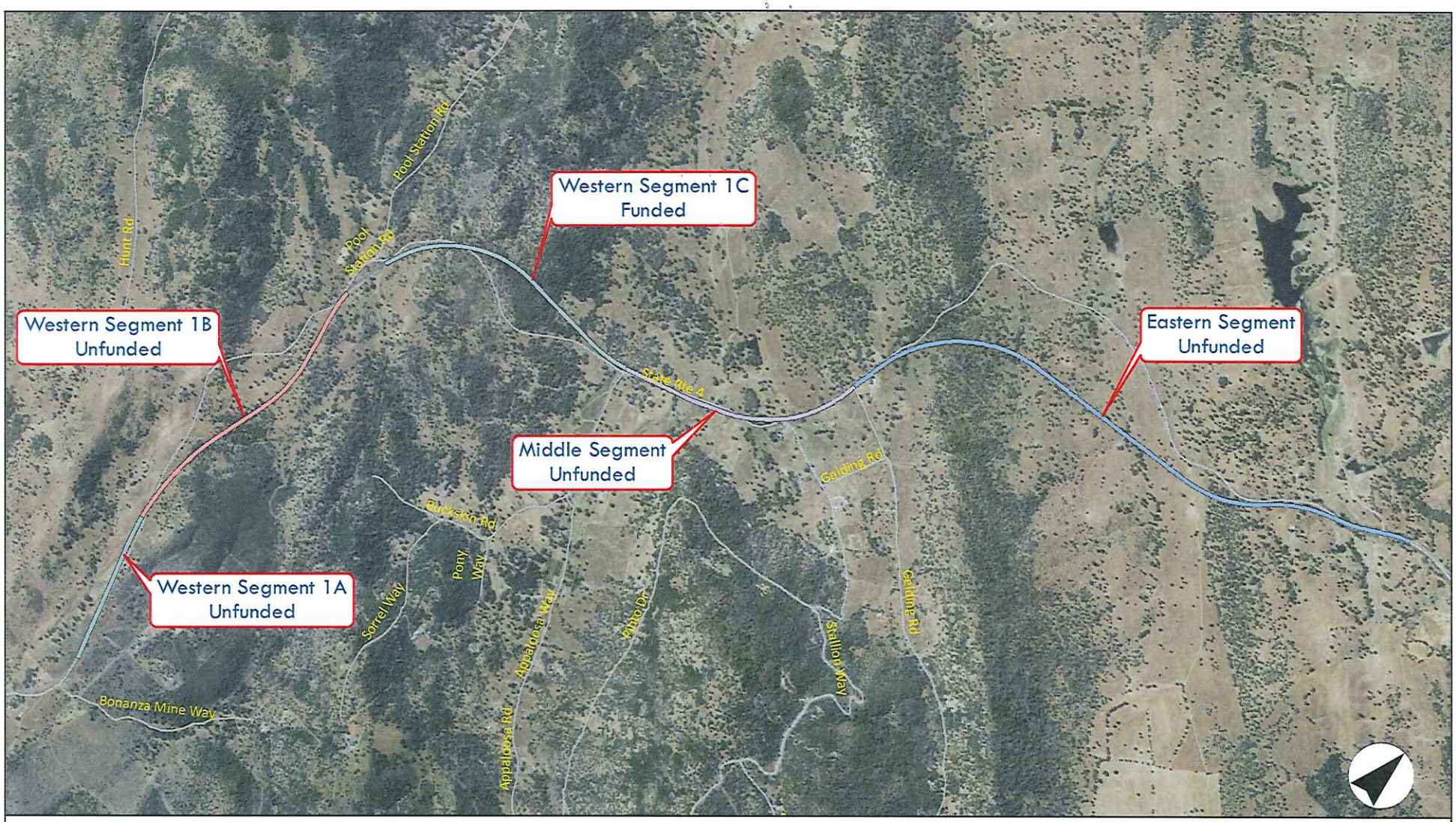
- Zero cuts to Calaveras County STIP Programming. The region cannot afford to cut $1.5 Million.
- Need $2.466 M in RIP funds for design in FY 16/17 and $4.159 M in RIP funds for right of way & construction funding 17/18 to align with SHOPP programming.
- While not a "self-help, Sales Tax County", Calaveras COG and its partner agencies, have been steadfast with writing grants and other funding strategies to leverage STIP funds. The success of the SHOPP Innovative Pilot Program is a direct result of the leadership and partnership of Caltrans District 10.

DECADES OF COMMUNITY PLANNING BEHIND CALAVERAS COUNTY'S ONE AND ONLY STATE HIGHWAY PROJECT IN THE STATE TRANSPORTATION IMPROVEMENT PROGRAM.

KEY MESSAGING FOR SR 4 WAGON TRAIL



CALAVERAS COUNCIL OF GOVERNMENTS



drake haglan AND ASSOCIATES

Wagon Trail Funding Status

0 0.25 0.5 1 Miles

This page left intentionally blank.

CALAVERAS
COUNCIL of
GOVERNMENTS

March 11, 2016

Assemblyman Frank Bigelow
State Capitol, Suite #6027
Sacramento, CA 94249-0005

RE: Continuing Transportation Funding Crisis

Dear Assemblyman Bigelow,

As you are aware, current law requires the California Transportation Commission (CTC) to revise the Fund Estimate for the State Transportation Improvement Program (STIP) due to lower forecasted state gas tax revenues. The revenues are decreasing dramatically because Californians are buying less gas (due to increased fuel efficiency) and cheaper prices (due to a reduction in the California price-based excise tax on gasoline). The latest forecasts propose a deletion of $754 million in funding for critical transportation improvements from the STIP, which has prompted the CTC to initiate cuts (based upon respective formula shares) across the board from each region's share of the STIP.

What does a cut to the STIP mean for rural counties such as Calaveras?
The STIP funds intercity rail, highways, and transit capital improvements and the formula used by the CTC to distribute these funds is primarily based on the number of registered vehicles in a county. This creates a disproportionate impact on rural counties like Calaveras. For instance, in 2015, the 5-year STIP shares for a large county such as Orange County was $180 million compared to the $6.8 million allocated for Calaveras County. Reductions of 20 to 30 percent of the STIP shares for larger counties will still allow them to deliver a number of their ongoing STIP projects. Calaveras County's small share of STIP funds has afforded the region only one project to fund—the State Route 4 (Wagon Trail) Realignment Project. The CTC proposed cut of $1.5 Million to the Calaveras County STIP share will decimate this region. Decades of community planning to construct the region's number one transportation priority will be undermined by an enormous and disproportionate hit to an already constrained construction budget. The loss of $1.5 Million effectively eliminates the region's ability to construct a high priority project that addresses operational and safety improvements on a state highway.

What is the State Route 4 (Wagon Trail) Realignment Project and why is it important?
State Route 4 is a primary east-west freeway/expressway that connects Interstate 80 in the Bay Area to the Sierra Nevada Mountains. It is an inter-regional commerce route as well as a critical transportation route during disasters such as the massive Butte Fire last summer. Caltrans has engineered and improved much of State Route 4 through Calaveras County except for a 6.1 mile segment between Copperopolis and Angels Camp. From what we understand, this 6.1 mile segment is the last un-engineered Caltrans highway in the state. It is referred to as the "Wagon Trail" because the remaining alignment actually follows the original wagon trail from the Gold Rush. This current alignment follows the mountainous topography resulting in inadequate sight distance and non-standard vertical and horizontal placement. The existing lane width

444 E. St. Charles, Suite A
P.O. Box 280
San Andreas CA 95249
209 754-2094
209 754-2096 (fax)
www.calacog.org

(10') and lack of non-standard roadside shoulders are likely contributing factors to the high accident rate for this segment, including many fatalities.

These roadway deficiencies create a significant barrier for the Calaveras County region to access jobs, health care and access transit to the more urbanized areas such as Stockton and the Bay Area. Removing this barrier will improve the economic vitality of the region and help maintain Calaveras County's reputation as an outdoor recreational destination.

Our proposed project will realign the highway to provide standard 12' travel lanes with 8' paved shoulders, and will be designed to the State standard speed for a controlled access highway which will result in improved sight distances. The improvements to sight distance will increase the operational efficiency allowing drivers to make better decisions, which should significantly reduce accidents. Decreasing the high accident rate and improving the reliability of this critical transportation corridor are the primary reasons why the Calaveras Council of Governments have made this project the number 1 transportation priority. The project also provides for improved bicycle and pedestrian safety.

Why do we need your help?

For the past 5 years, Calaveras County has worked cooperatively with Caltrans and the community to complete the Project Approval and Environmental Documentation phase. Through our success in working cooperatively with Caltrans, the project is being considered for $10.3 Million in State Highway Operations and Protection Program (SHOPP) funds in the 2018 SHOPP for the first phase of construction with a delivery deadline of 2018. This potential funding of $10.3 Million combined with our full $6.6 Million in STIP shares (currently committed to the project) will provide just enough funding to construct the first and most critical phase of the Wagon Trail project. ***If Calaveras County's STIP shares are cut by $1.5 Million as a result of this funding crisis, construction in 2018 will not be feasible and the region will lose its competitiveness for the $10.3 Million in SHOPP funds.*** In addition, Calaveras has invested over $2 Million dollars to undergo the environmental phase and years of community workshops to reach a project milestone—a draft environmental document due next month. Funding a $17 Million dollar state highway project for a large county may be of little consequence. But for a rural county such as Calaveras, it is monumental task to cobble together $17 Million. We fully recognize this is a rare and singular opportunity to improve a critical state highway artery in the region.

What can you do to help?

The Calaveras County region needs your help protecting our STIP allocation, preventing cuts by $1.5 Million or even one dollar. We would greatly appreciate a letter of support from your office to the CTC in support of keeping Calaveras County's STIP allocation at its current level.

Most importantly, for the future of this project and the future of others in our region, we urge you to take action to restore the STIP. We encourage your involvement to help shape current proposals. Yours is the leadership we need to be "part of the solution" and secure transportation funds for rural regions such as Calaveras.

Thank you for your time in considering our specific request to support the Wagon Trail project and addressing the overall problem of transportation funding in the state. Please contact Paul Stein, Policy Advisor at 209-293-7940, or Melissa Eads, Executive Director at 209-754-2094 if you have any questions or would like to discuss this further.

Sincerely,

John Gomes
Calaveras Council of Governments, Chair

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies
California State Association of Counties
Mr. Paul Smith, Senior Policy Advisor, Rural County Representatives of California
California State Association of Counties

SR 4 WAGON TRAIL – PROJECT NEEDS AND BENEFITS

- Local & State Economic benefits by fostering improved access to businesses including those associated with federal lands and recreational attractions offered in the Sierra foothill communities and high country.
- Safety and operational benefits through improvements to deteriorating pavement, sight distances, and addressing design challenges of a non-engineered road.
- Top priority for the region as evidenced by the project being the single project in Calaveras COG RTIP.
- With recent fires, corridor is essential toward improving the reliability of the region's primary east-west state highway for residents, emergency vehicles and fire protection.
- Improves pedestrian and bicycle mobility and safety.

LEVERAGING SHOPP CONSTRUCTION FUNDS AT RISK OF BEING LOST.

- $10.3 Million conditional award in SHOPP for construction in FY 17/18 through an Innovative Pilot Program.
- The region needs the SHOPP funding to build the project.
- RIP (Regional Improvement Program) are matching funds to the SHOPP and removal of RIP jeopardizes this funding commitment.
- The SHOPP funding through the Innovative Pilot Program is a demonstration of partnership- Caltrans and the Region working in collaboration to maximize the delivery of one seamless, integrated project.

DECADES OF CIVIC ENGAGEMENT.

- Community has been directly involved through community workshops in development of project priorities along the corridor.
- Strong community support and expectation of construction.

PROJECT MOMENTUM AND DELIVERY IS ON-SCHEDULE

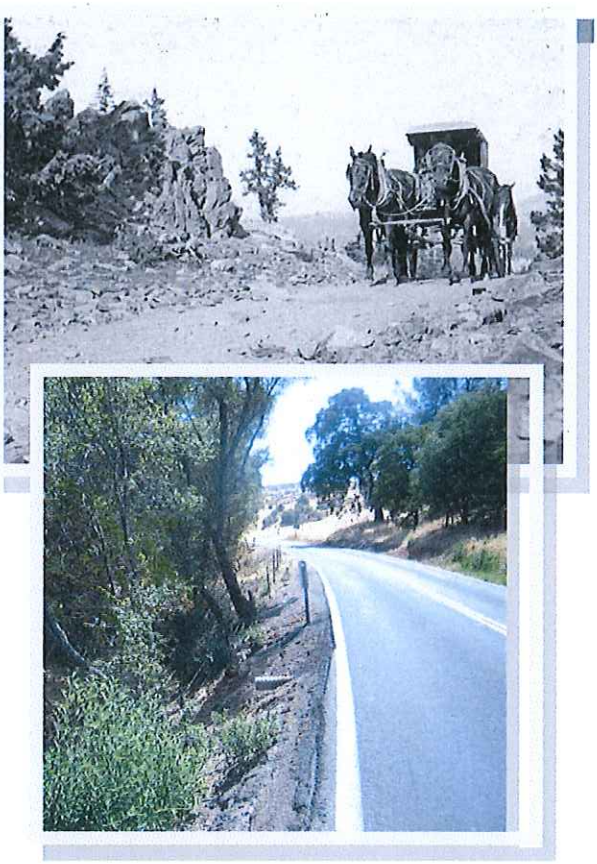
- Environmental clearance anticipated Spring 2016.
- Protect the validity of and investment in environmental studies.
- Need to keep the momentum to meet construction delivery date of FY 17/18 based upon SHOPP programming

ADVOCATE FOR:

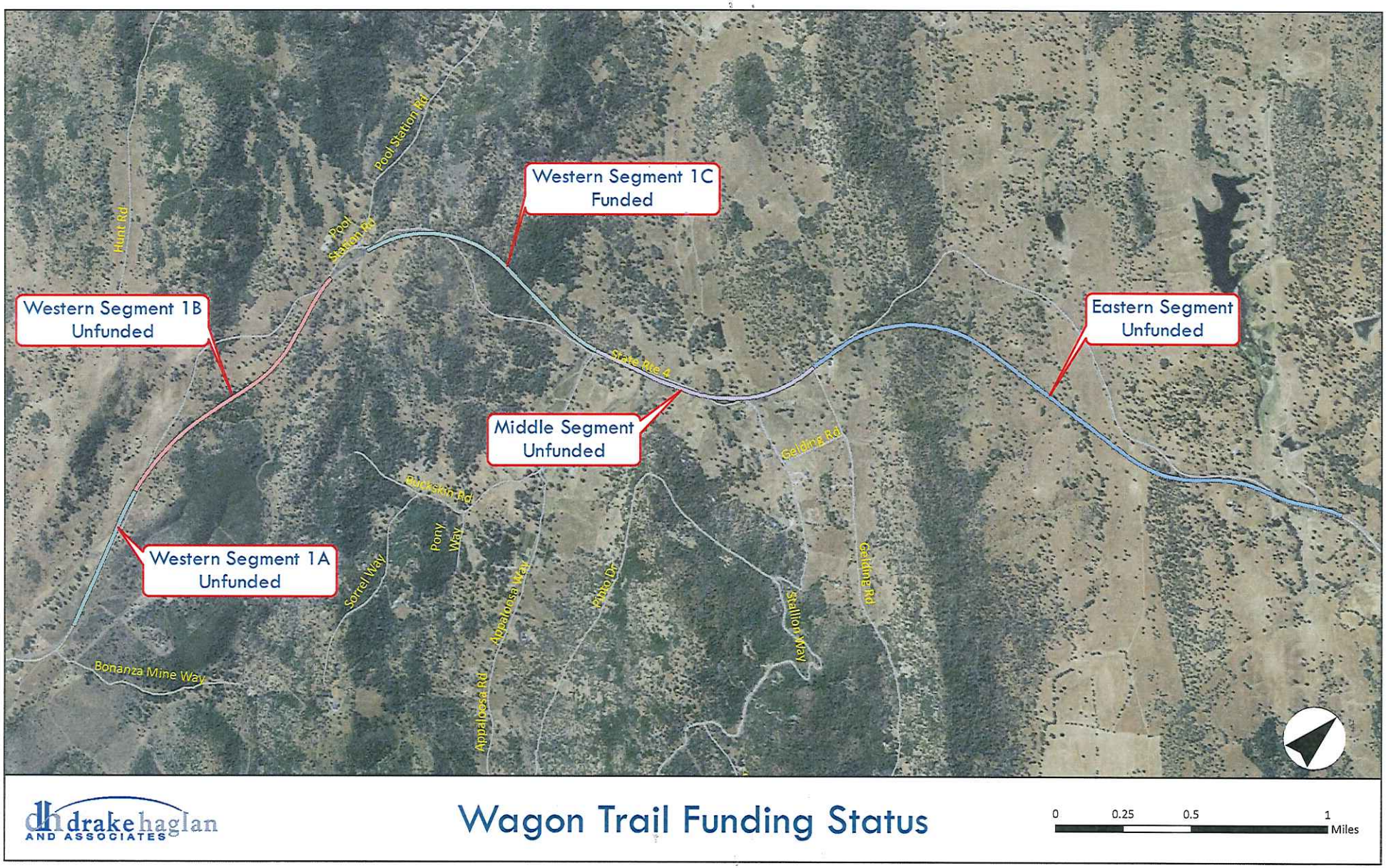
- Zero cuts to Calaveras County STIP Programming. The region cannot afford to cut $1.5 Million.
- Need $2.466 M in RIP funds for design in FY 16/17 and $4.159 M in RIP funds for right of way & construction funding 17/18 to align with SHOPP programming.
- While not a "self-help, Sales Tax County", Calaveras COG and its partner agencies, have been steadfast with writing grants and other funding strategies to leverage STIP funds. The success of the SHOPP Innovative Pilot Program is a direct result of the leadership and partnership of Caltrans District 10.

DECADES OF COMMUNITY PLANNING BEHIND CALAVERAS COUNTY'S ONE AND ONLY STATE HIGHWAY PROJECT IN THE STATE TRANSPORTATION IMPROVEMENT PROGRAM.

KEY MESSAGING FOR SR 4 WAGON TRAIL



CALAVERAS COUNCIL OF GOVERNMENTS


Western Segment 1C
Funded
Western Segment 1B
Unfunded
Eastern Segment
Unfunded
Middle Segment
Unfunded
Western Segment 1A
Unfunded
Pool Station Rd
Hunt Rd
Pool Station Rd
State Rte 4
Gelding Rd
Buckskin Rd
Pony Way
Sorrel Way
Appaloosa Way
Pinto Dr
Stallion Way
Gelding Rd
Bonanza Mine Way
Appaloosa Rd
drake haglan
AND ASSOCIATES
Wagon Trail Funding Status
0
0.25
0.5
1
Miles

This page left intentionally blank.

BCAG
BUTTE COUNTY ASSOCIATION
OF GOVERNMENTS

2580 Sierra Sunrise Terrace, Suite 100
Chico, California 95928-8441
(530) 879-2468 FAX (530) 879-2444

January 28, 2016

Honorable Senator Jim Nielsen
Senate District 04
State Capitol, Suite #2068
Sacramento, CA 94249

Subject: Butte County State Route 70 Projects in Jeopardy – State Transportation Improvement Program (STIP)

Assemblyman Gallagher,

On January 21st, the California Transportation Commission (CTC) approved a reduced estimate of project funding available for the State Transportation Improvement Program (STIP) by $754 million over the next 5 years. This reflects the decreased revenues from the price based excise tax on fuel. As a result, many statewide projects must be deleted to meet the new targets. The potential projects in jeopardy include two State Highway 70 Corridor projects in Butte County.

The State Route 70 Corridor continues to be BCAG's top priority for the region. The urbanized area of Chico is the largest urbanized area in the state not yet served by a continuous four lane facility. BCAG's 2016 Regional Transportation Improvement Program (RTIP) identifies two SR 70 Passing Lanes for funding consideration. The first, "Segment 1" would construct our next passing lane project from Ophir Rd to Palermo Rd near the city of Oroville. "Segment 2" would continue the passing lane effort from Palermo Rd to the newly constructed passing lanes on SR 70 heading south near Cox Lane.

BCAG is currently utilizing its federal demonstration funds to develop the environmental component for both Segment 1 and Segment 2. Segment 1 was recommended for construction, whereas Segment 2 was proposed for preliminary engineering at this time due to financial constraints.

Both projects were being leveraged for Caltrans' Interregional Transportation Improvement Program funds. As such there were 50/50 funded projects. The table on the following page summarizes BCAG's RTIP for recommended projects into the 2016 State Transportation Improvement Program (STIP) by the CTC.

Butte County Regional Projects in Jeopardy

AGENCY	STIP PROJECT RECOMMENDATIONS	FUNDING RECOMMENDATION		
BCAG/Caltrans	SR 70 Passing Lanes – Segment 1 (Ophir to Palermo)	$13.1 m (BCAG)	$ 13.1 m (Caltrans)	$26.2 million (Total)
BCAG/Caltrans	SR 70 Passing Lanes – Segment 2 (Palermo to Cox)	$1.5 m (BCAG)	$ 1.5 m (Caltrans)	$3 million

Delaying or eliminating these projects will have serious financial impacts to the region in addition to the safety implications associated with rural 2 lane highways in an agriculture region. In addition, the State Route 70 Corridor is the primary trucking route for goods movement through the region.

Attached for your information is a press release by the California Transportation Commission as well as some recent newspaper articles. Also attached for your awareness is an illustration highlighting the progress BCAG and Caltrans have made to both the State Route 70 and State Route 99 Corridor over the last 20 years which includes our plan for the future. Again, Chico remains to be the largest urbanized area in California not yet served by a continuous 4 lane transportation facility.

We urge your support in a legislative fix to reform the transportation program and increase transportation revenues.

We welcome the opportunity to meet and discuss further the implications associated with the elimination or further delay of these projects.

Sincerely,

Jon Clark,
Executive Director

C: Lucy Dunn, California Transportation Commission
Assemblyman James Gallagher, District 03

el dorado county edctc TRANSPORTATION COMMISSION

2828 Easy Street Suite 1 | Placerville CA 95667 | tel:530.642.5260 | fax:530.642.5266 | www.edctc.org

RECD BY CTC
FEB 03 2016

January 28, 2016

Honorable Jim Frazier
California State Assembly
Chair, Transportation Committee
PO Box 942849, Room 3091
Sacramento, CA 94249-0011

RE: State Transportation Funding Crisis Impacts in El Dorado County

Dear Chair Frazier:

When you were attending the California Transportation Commission meeting last week, funding for transportation projects in the State Transportation Improvement Program (STIP) was cut by $754 million. As you know, the cut was in response to the continued decline in the State price-based portion of the gasoline tax that is the only source of funding for the STIP.

In El Dorado County, that reduces our STIP project construction funding by half, from $5.5 to $2.7 million. As we discussed during our tour with you in December, the Western Placerville Interchange project will provide primary access to a new regional courthouse, funded with a $79 million dollar grant from the State of California, replacing the unsafe and outdated existing court facilities. The entire project includes a new ramp to US Highway 50, frontage road improvements, a transit center, bicycle and pedestrian facilities, and a park-and-ride lot. This project has been included in our planning, air quality, and design documents developed over a 20-year period in coordination with the public and many agencies. The $5.5 million dollar STIP investment will leverage over $11.6 million in federal, other state and local transportation funding that could now be lost. This project will not only provide regional access to the new courthouse, but also to the County government center, library, fairgrounds, jail, and a key commercial area. Construction of the transportation and courthouse projects will create over 1,700 new jobs in California's economy.

Thank you for introducing a bill during the current special legislative session to increase and stabilize sources for transportation funding. The El Dorado County Transportation Commission supports you and the following principles:

<u>Protected, Reliable and Sufficient Transportation Funding</u>

- Index transportation revenues to inflation.
- Stabilize transportation funding to address capital and maintenance investment needs built on transportation-based performance criteria.
- Restore truck weight fees - $1 billion to the State Highway Account.
- Repay past transportation fund loans made to the General Fund - $879 million.
- Invest Cap and Trade revenues in GHG reducing road maintenance, transit, bicycle/pedestrian and freight projects.

- Backfill the GHG reducing projects contained within the 2016 STIP with Cap and Trade funds, freeing up the STIP funds for the remaining projects in the 2016 STIP.
- Ensure that non-gas/diesel vehicle owners pay their fair share of roadway capital investment and maintenance.
- Evaluate long-term equitable transportation funding sources like the Road Charge Pilot Program.

Reforms

- Environmental exemptions for safety, maintenance and other projects, within existing rights of way, that are consistent with local, regional and state priorities.
- Eliminate duplicate environmental processes.

We appreciate your continued efforts with your fellow Legislators to identify timely solutions to address the transportation funding crisis in California, so that vital projects such as the Western Placerville Interchange can be constructed in accordance to what was promised to the public.

We are ready to work with you to find solutions to this challenge and provide Californians with a transportation system that builds the economy, improves our quality of life, and is sustainable for generations to come. Please contact me, or our Executive Director, Sharon Scherzinger, if you have any questions or would like to discuss issues further, 530.642.5260.

Sincerely,

Wendy Thomas

Wendy Thomas, Chair
El Dorado County Transportation Commission

Attachment

cc:
Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair and Commissioners and Executive Director, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Malcolm Dougherty, Director, California Department of Transportation

NC TPA NV TA

625 Burnell Street · Napa, CA 94559-3420
Tel: (707) 259-8631
Fax: (707) 259-8638

January 28, 2016

The Honorable Lois Wolk
Member of the Senate
2751 Napa Valley Corporate Drive, Bldg 4
Napa, CA 94558

RE: Continuing Transportation Funding Crisis

Dear Honorable Lois Wolk,

At their January 21 Meeting, the California Transportation Commission approved a revised Fund Estimate for the 2016 State Transportation Improvement Program (STIP) that will require the alarming deletion of about $750 million in critical transportation improvements throughout California. The State Transportation Improvement Program helps fund state highway, intercity rail, and regional highway and transit capital improvements. These are extremely important projects that have been in development Regional and Local Agencies for many years that help meeting national, state, regional and local goals and priorities. They consist of projects that help regions meet state air quality goals through SB 375 and also help improve safety, reduce congestion, improve local facilities for drivers, bicyclists and pedestrians, and most importantly help create jobs.

The revision to the STIP Fund Estimate is due to the estimated decrease to the State price-based portion of the gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "gas tax swap") is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further from 12 cents to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of 2 cents with a gradual estimated increase of 2 cents per year will have a profound effect that will lead to less funding available than previously forecasted. The revised fund estimate projects a decrease of $750 million in capacity from a prior estimate which is leading to the current predicament of needing to delete the same amount in projects.

We urge you to take action on addressing this issue related to price based excise tax that has a significant impact on funding important transportation projects. While there is a growing need for transportation funding, California is actually reducing its investments in transportation infrastructure. During this current special legislative session, many ideas have been brought forward to increase and stabilize sources of transportation funding. Recently, proposals by Governor Jerry Brown, Senator Jim Beall and Assemblyman Jim Frazier aim to remedy the issue with the price based excise tax to restore funding for transportation projects. Governor Brown proposes to restore the tax to 18 cents and Senator

Beall and Assemblyman Frazier propose to increase the tax to provide additional funding for transportation. A fix must be made to address the funding as we now face the dire situation of having to delete projects from the STIP.

In our region, this would mean a deletion of approximately $2.4 million in projects – a significant sum for Napa. The table below provides a summary of projects that are at risk of deletion in our region.

Project Title	Location	STIP Amount	Matching Funds	Project Benefits
California Roundabouts	City of Napa	$1,501,000	$6,092,000	Gateway project to downtown Napa; reduces congestion; improves air quality and provides safety improvements for all modes
Silverado Five-Way Intersection Improvements	City of Napa	$1,153,000	$4,047,000	Improves intersection operations; reduces congestion and provides safety for all modes
Eucalyptus Drive Extension	American Canyon	$2,819,000	$1,705,000	Additional access to SR 29 through a roadway extension and provides access and mobility for bike/ped
Improve Intersection at Petrified Forest Road and SR 128	Calistoga	$580,000	$70,000	Improves intersection operations along SR 128 by signalizing; reduces congestion and idling time
Hopper Creek Pedestrian Path	Yountville	$500,000	$0	Improve pedestrian and bicycle access and mobility
Airport Boulevard Rehabilitation	County of Nap	$1,332,000	$584,000	Rehabilitates a heavily used route for goods movement and access to the Napa Airport

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (707) 259-8634 or kmiller@nctpa.net if you have any questions or would like to discuss further.

Sincerely,

Kate Miller
Executive Director

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Ms. Tracy Krumpen, Senator Lois Wolk's Office
NCTPA Board of Directors
NCTPA Technical Advisory Committee

This page left intentionally blank.

MCTC
MODOC COUNTY
TRANSPORTATION COMMISSION

108 S. Main Street
Alturas, CA 96101

(530) 233-6410 Phone
233-3744 Fax

Meets First Tuesday of Even Numbered Months at 1:30 p.m.

Commissioners

John Dederick
Chairman
City of Alturas Mayor

Jim Wills
Commissioner
County Supervisor IV

David Allan
Vice Chairman
County Supervisor I

Danny Parker
Commissioner
City at Large Citizen

Bobby Ray
Commissioner
City Councilmember

Mark Moriarity
Commissioner
County at Large Citizen

Kathie Alves
Alternate-Commissioner
County Supervisor III

Cheryl Nelson
Alternate Commissioner
City Councilmember

Staff

Debbie Pedersen
Executive Director

Niki Witherspoon
Systems Manager

Cindy Imbach
Transit Manager

RECD BY CTC
FEB 16 2016

February 9, 2016

Assemblyman Brian Dahle,
State Capitol, Suite 2158
Sacramento, CA 94249-0001

RE: Continuing Transportation Funding Crisis

Dear Honorable Assemblyman Dahle,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline). This reduction is in addition to agencies already reshuffling projects to delay 2014 STIP projects, based on the earlier fund estimate amounts in August 2015.

What This Action Means for Our Region

The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve roads to enhance goods movement and farm to market commodities, and improve local facilities for bicyclists and pedestrians. And these projects create jobs and improve the economy.

The precipitous decline in fuel tax revenues is likely to result in the deletion and further delay of $4.9 million currently programmed in the STIP for projects in Modoc County.

The following is a summary of projects that are at risk for further delay/deletion, based on the new reduced targets:

Project Title	**2016 STIP**
Plng, Program., & Monitor.	$ 177,000
Central Business District Ped Imp	$ 942,000
Juniper and Oak Streets	$ 890,000
Chip Seal CR 87	$ 632,000
Chip Seal CR 111	$ 687,000
East Street	$ 962,000
Chip Seal CR 114	$ 407,000
Chip Seal CR 272	$ 196,000
CR 55 Rehabilitation (PE Only)	$ 75,000
TOTAL	***$4,968,000***

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such, the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes. We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at 530-233-6422 if you have any questions or would to discuss further.

Sincerely,

Debbie Pedersen
Executive Director

cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

MCTC
MODOC COUNTY
TRANSPORTATION COMMISSION

108 S. Main Street
Alturas, CA 96101

(530) 233-6410 Phone
233-3744 Fax

Meets First Tuesday of Even Numbered Months at 1:30 p.m.

Commissioners

John Dederick
Chairman
City of Alturas Mayor

Jim Wills
Commissioner
County Supervisor IV

David Allan
Vice Chairman
County Supervisor I

Danny Parker
Commissioner
City at Large Citizen

Bobby Ray
Commissioner
City Councilmember

Mark Moriarity
Commissioner
County at Large Citizen

Kathie Alves
Alternate-Commissioner
County Supervisor III

Cheryl Nelson
Alternate Commissioner
City Councilmember

Staff

Debbie Pedersen
Executive Director

Niki Witherspoon
Systems Manager

Cindy Imbach
Transit Manager

RECD BY CTC
FEB 16 2016

February 9, 2016

Senator Ted Gaines,
State Capitol, Room 3070
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Honorable Senator Gaines,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline). This reduction is in addition to agencies already reshuffling projects to delay 2014 STIP projects, based on the earlier fund estimate amounts in August 2015.

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve roads to enhance goods movement and farm to market commodities, and improve local facilities for bicyclists and pedestrians. And these projects create jobs and improve the economy.

The precipitous decline in fuel tax revenues is likely to result in the deletion and further delay of $4.9 million currently programmed in the STIP for projects in Modoc County.

The following is a summary of projects that are at risk for further delay/deletion, based on the new reduced targets:

Project Title	**2016 STIP**
Plng, Program., & Monitor.	$ 177,000
Central Business District Ped Imp	$ 942,000
Juniper and Oak Streets	$ 890,000
Chip Seal CR 87	$ 632,000
Chip Seal CR 111	$ 687,000
East Street	$ 962,000
Chip Seal CR 114	$ 407,000
Chip Seal CR 272	$ 196,000
CR 55 Rehabilitation (PE Only)	$ 75,000
TOTAL	***$4,968,000***

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such, the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes. We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at 530-233-6422 if you have any questions or would to discuss further.

Sincerely,

Debbie Pedersen
Executive Director

cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANNING AGENCY

LARRY MILLAR, *Executive Secretary*
CYNTHIA RASCHEIN, *Transportation Project Manager*
KELLY MUMPER, *Transportation Planner*

707 Nevada Street, Suite 4
Susanville, CA 96130

☎ 530) 251-8260
FAX: (530) 251-2675
lassentransportation.org

RECD BY CTC
FEB 17 2016

T-8 (o)
2016/52

February 8, 2016

Assemblyman Brian Dahle
State Capitol, Suite 2158
Sacramento, CA 94249-0001

RE: Continuing Transportation Funding Crisis

Dear Honorable Assemblyman Dahle,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas (due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $2.5 million currently programmed in the STIP for projects in our region. The table below provides a summary of projects that are at risk of deletion in our region.

Project Title	Location	STIP Amount
City Street Rehab (FD)	Various streets in Susanville	$2,240,000
Center Rd, Rt 395 Johnstonville Rd reconstruct	Center Road, Lassen County	$2,890,000

How We Got to This Point
The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in

meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (530) 251-8288 if you have any questions or would to discuss further.

Sincerely,

Aaron Albaugh

Aaron Albaugh, Chairman
Lassen County Transportation Commission

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANNING AGENCY

LARRY MILLAR, *Executive Secretary*
CYNTHIA RASCHEIN, *Transportation Project Manager*
KELLY MUMPER, *Transportation Planner*

707 Nevada Street, Suite 4
Susanville, CA 96130

☎ 530) 251-8260
FAX: (530) 251-2675
lassentransportation.org

RECD BY CTC
FEB 17 2016

T-8 (o)
2016/51

February 8, 2016

Senator Ted Gaines
State Capitol, Room 3070
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Honorable Senator Gaines,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas (due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $2.5 million currently programmed in the STIP for projects in our region. The table below provides a summary of projects that are at risk of deletion in our region.

Project Title	Location	STIP Amount
City Street Rehab (FD)	Various streets in Susanville	$2,240,000
Center Rd, Rt 395 Johnstonville Rd reconstruct	Center Road, Lassen County	$2,890,000

How We Got to This Point
The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next

meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (530) 251-8288 if you have any questions or would to discuss further.

Sincerely,

Aaron Albaugh

Aaron Albaugh, Chairman
Lassen County Transportation Commission

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

Michael Ayala
Chairman

Darin Grossi
Executive Director

TUOLUMNE COUNTY TRANSPORTATION COUNCIL

RECD BY CTC
FEB 17 2016

February 10, 2016

Assemblyman Frank Bigelow
5th Assembly District
State Capital, Suite 6027
Sacramento, CA 94249-0005

Re: Transportation Funding Priorities in the 2016/2017 State Budget and Legislative Session

Dear Senator Berryhill:

The Tuolumne County Board of Supervisors approved Resolution 25-13 on April 16, 2013 recognizing the need for $1.9 billion additional funding annually for Cities and Counties to maintain status quo pavement conditions. To maintain the county roads' current pavement conditions, which are not good, the county will need an additional $6.9 million annually. Without a major increase in funding, the pavement management system predicts current road pavement condition will degrade by 34% in 2020 and be 64% worse than current conditions in 2025. These conditions are getting worse and doing so at an alarming rate.

Due to low fuel prices reduced revenue from the price based excise tax on fuel, the California Transportation Commission was forced to cut $750 million from the State Transportation Improvement Program (STIP). These cuts will have a profound effect on major projects in Tuolumne County and the State as a whole.

The California State Association of Counties has compiled priorities for a comprehensive transportation Funding Package. The Tuolumne County Transportation Council believes CSAC policies are a reasonable and measured approach to fixing the current funding crisis. However, TCTC staff would include additional policies to inform area legislators of our unique rural needs:

- Rural Counties under 100,000 population would receive a fair share population based formula direct apportionment of Cap and Trade revenues for projects and programs necessary to comply with AB32
- Exempt rural counties under 100,000 population from Vehicle Miles Travelled based CEQA reform pursuant to SB743
- Require at least one appointed member of the California Transportation Commission be from a rural county of less than 100,000 population
- Establish the California Transportation Commission as an independent entity not under the control of the Secretary of the California State Transportation Agency

A.N. Francisco Building
48 West Yaney Street

Mailing: 2 South Green Street
Sonora, CA 95370

Phone: 209/533-5603
Fax: 209/533-5698

We are asking for your support for the CSAC Transportation Funding Priorities including the TCTC recommended policies on Cap and Trade, CEQA Reform and the CTC.

Sincerely,

Michael Ayala, Chairman
Tuolumne County Transportation Council

c: ✓California Transportation Commission
California State Association of Counties
Regional Council of Rural Counties

A.N. Francisco Building
48 West Yaney Street

Mailing: 2 South Green Street
Sonora, CA 95370

Phone: 209/533-5603
Fax: 209/533-5698

RECD BY CTC
MAR 04 2016

HCAOG
Regional Transportation Planning Agency

611 I Street, Suite B
Eureka, CA 95501
707.444.8208
Fax: 707.444.8319
www.hcaog.net

February 19, 2016

Senator Mike McGuire
Senate District 2
710 E Street, Suite 150
Eureka, CA 95501

RE: Continuing Transportation Funding Crisis

Dear Honorable Senator McGuire,

With unanimous support of the HCAOG Board, we are sending this letter to express our dismay at the impending funding shortfall in the State Transportation Improvement Program (STIP). As sited in the January 27th letter to you from the California Transportation Commission (CTC), the revised Fund Estimate for the STIP reduced the expected available funding over the five-year period by $754 million. The CTC had no choice but to approve the reduced revenue estimate which was the same day that Governor Brown gave his State of the State address where he indicated that infrastructure deficit had swelled from $59 billion to $77 billion, and the need to raise transportation revenue.

This state of affairs is a red alert of the transportation funding crisis. While the reduction is due to lower forecasted state gas tax revenues, there are many other issues contributing to the problem. Californians are buying less gas owing to fuel efficiency improvements, the gas tax is not indexed to inflation, the gas tax has not increased since 1993 and outstanding transportation loans remain unpaid, to name a few.

The STIP is the main transportation funding source cited in our Regional Transportation Plan. The projects that we have been asked to deprogram or delay are extremely important to our region and have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities. These projects help improve safety, improve local facilities for bicyclists and pedestrians and create jobs.

Humboldt County projects that are at risk of deletion in our region include the 101 Eureka-Arcata Corridor Improvement Project, the associated 101 Eureka-Arcata Corridor Improvement Mitigation Project and two rehabilitation projects in the City of Eureka.

The US 101 Eureka-Arcata Corridor Improvement Project proposes long term safety improvements to seven at-grade intersections and will reduce operational conflicts and delays at these intersections. Improvements are necessary to decrease collisions, to minimize confusion related to merge and turn movements and to reduce wait times for turn movements. The proposed interchange at Indianola Cutoff will facilitate closing median crossings to provide a safe, reliable transportation facility. These improvements will result in a safer highway facility and will reduce operational conflicts that qualified the roadway as a safety corridor in 2003 and a double fine zone in the mid-1990s. From its start, the Safety Corridor was originally designed to be an interim solution until a long-term solution could be constructed. The project in danger of deletion is the long-term solution. With the current Safety Corridor in place, collision rates at two intersections are still above statewide average. An associated project is the 101 Eureka-Arcata Corridor Improvement Mitigation Project. This wetland restoration project includes three parcels as off-site mitigation for the improvement project in addition to mitigation required for phases of the Humboldt Bay Trail, led by the City of Arcata and the County of Humboldt.

The City of Eureka has two important rehabilitation projects programmed for next year. Both projects involve asphalt overlays with striping, pavement markings, sidewalk replacements, and detectable warning mat installation. Weathering, aging, and loading have led to structurally deficient asphalt and poor ride ability. Routine maintenance is no longer adequate to preserve or extend the pavement life and resurfacing of the streets is necessary.

The root of the problem is the structure of transportation funding. STIP funding is dependent on the price-based portion of the State gasoline tax. This is a volatile source of funding, as it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this spring. As such the CTC was obligated to revise the Fund Estimate at their January meeting to factor in the reduction in the price based tax for the five year STIP period starting in the 2016-17 fiscal year through the 2020-21 fiscal year. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for

inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide necessary funding to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. I have contacted your Eureka office to set up a meeting to discuss this important issue.

Sincerely,

Supervisor Ryan Sundberg
HCAOG Chair

Marcella Clem
HCAOG Executive Director

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

This page left intentionally blank.

RECD BY CTC
MAR 04 2016

HCAOG
Regional Transportation Planning Agency

611 I Street, Suite B
Eureka, CA 95501
707.444.8208
Fax: 707.444.8319
www.hcaog.net

February 19, 2016

Assembymember Jim Wood
Assembly District 2
1036 5th Street, Suite D
Eureka, CA 95501

RE: Continuing Transportation Funding Crisis

Dear Honorable Assemblymember Wood,

With unanimous support of the HCAOG Board, we are sending this letter to express our dismay at the impending funding shortfall in the State Transportation Improvement Program (STIP). As sited in the January 27th letter to you from the California Transportation Commission (CTC), the revised Fund Estimate for the STIP reduced the expected available funding over the five-year period by $754 million. The CTC had no choice to approve the reduced revenue estimate which was the same day that Governor Brown gave his State of the State address where he indicated that infrastructure deficit had swelled from $59 billion to $77 billion, and the need to raise transportation revenue.

This state of affairs is a red alert of the transportation funding crisis. While the reduction is due to lower forecasted state gas tax revenues, there are many other issues contributing to the problem. Californians are buying less gas owing to fuel efficiency improvements, the gas tax is not indexed to inflation, the gas tax has not increased since 1993 and outstanding transportation loans remain unpaid, to name a few.

The STIP is the main transportation funding source cited in our Regional Transportation Plan. The projects that we have been asked to deprogram or delay are extremely important to our region and have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities. These projects help improve safety, improve local facilities for bicyclists and pedestrians and create jobs.

Humboldt County projects that are at risk of deletion in our region include the 101 Eureka-Arcata Corridor Improvement Project, the associated 101 Eureka-Arcata Corridor Improvement Mitigation Project and two rehabilitation projects in the City of Eureka.

The US 101 Eureka-Arcata Corridor Improvement Project proposes long term safety improvements to seven at-grade intersections and will reduce operational conflicts and delays at these intersections. Improvements are necessary to decrease collisions, to minimize confusion related to merge and turn movements and to reduce wait times for turn movements. The proposed interchange at Indianola Cutoff will facilitate closing median crossings to provide a safe, reliable transportation facility. These improvements will result in a safer highway facility and will reduce operational conflicts that qualified the roadway as a safety corridor in 2003 and a double fine zone in the mid-1990s. From its start, the Safety Corridor was originally designed to be an interim solution until a long-term solution could be constructed. The project in danger of deletion is the long-term solution. With the current Safety Corridor in place, collision rates at two intersections are still above statewide average. An associated project is the 101 Eureka-Arcata Corridor Improvement Mitigation Project. This wetland restoration project includes three parcels as off-site mitigation for the improvement project in addition to mitigation required for phases of the Humboldt Bay Trail, led by the City of Arcata and the County of Humboldt.

The City of Eureka has two important rehabilitation projects programmed for next year. Both projects involve asphalt overlays with striping, pavement markings, sidewalk replacements, and detectable warning mat installation. Weathering, aging, and loading have led to structurally deficient asphalt and poor ride ability. Routine maintenance is no longer adequate to preserve or extend the pavement life and resurfacing of the streets is necessary.

The root of the problem is the structure of transportation funding. STIP funding is dependent on the price-based portion of the State gasoline tax. This is a volatile source of funding, as it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this spring. As such the CTC was obligated to revise the Fund Estimate at their January meeting to factor in the reduction in the price based tax for the five year STIP period starting in the 2016-17 fiscal year through the 2020-21 fiscal year. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for

inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide necessary funding to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. We look forward to meeting with you on March 11th.

Sincerely,

Supervisor Ryan Sundberg
HCAOG Chair

Marcella Clem
HCAOG Executive Director

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

This page left intentionally blank.

INYO COUNTY
LOCAL TRANSPORTATION COMMISSION

P.O. DRAWER Q
INDEPENDENCE, CA 93526
PHONE: (760) 878-0201
FAX: (760) 878-2001

Clint Quilter
Executive Director

RECD BY CTC
FEB 26 20[illegible]

February 17, 2016

Devon Mathis
State Capitol
Sacramento, CA 94249-0026

RE: **Continuing Transportation Funding Crisis**

Dear Honorable Assemblyman Mathis,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains and cheaper prices due to drop in price of gasoline.

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $40.792 million currently programmed in the STIP for projects in our region though it could be argued that this is much more. The Inyo County Local Transportation Commission (LTC), Kern Council of Governments, and Mono County LTC have entered into an MOU on the US 395 and SR 14 corridor to leverage Interregional Improvement Program (IIP) funds programmed as part of the Interregional Transportation Improvement Program (ITIP). The State was also required to reduce IIP funds and the draft ITIP recommends that all of the IIP funds for these projects be deprogrammed, a total of $50.879 million dollars. These MOU projects are a model of regional cooperation between three counties and the state. The Inyo County LTC requests that a stable funding stream be added to the STIP so that these important projects that improve safety and system productivity will be able to be realized. To keep the project that is most ready for construction, Freeman Gulch Segment 1, the Inyo County LTC is proposing to replace the IIP

funds that are slated to be deprogrammed with its own Regional Improvement Program (RIP) funds.

The table below provides a summary of projects that are at risk of deletion in our region.

SUMMARY OF INYO, MONO, KERN RIP/IIP PROPOSAL FOR 2016 RTIP RESCISSION PROPOSALS Program amounts are in 1,000s						
Project Description	**INYO RIP**	**MONO RIP**	**KERN RIP**	**TOTAL RIP**	**TOTAL IIP**	**TOTAL**
CURRENT 2014 STIP - SUMMARY OF RIP AND IIP PROGRAMMED BY PROJECT						
US 395 Olancha-Cartago	$ 35,400	$8,850	$ 8,850	$ 53,100	$ 35,400	$ 88,500
SR 14 Freeman Gulch Segment 1	$ 3,109	$ 3,109	$ 12,435	$ 18,653	$ 12,435	$ 31,088
SR 14 Freeman Gulch Segment 2	$ 2,283	$ 2,283	$	$ 4,566	$ 3,044	
TOTAL PROGRAMMED	$ 40,792	$ 14,242	$ 21,285	$ 76,319	$ 50,879	$119,588

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (760) 878-0201 if you have any questions or would to discuss further.

Sincerely,

Clint Quilter, Executive Director

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

This page left intentionally blank.

LAKE COUNTY/CITY AREA PLANNING COUNCIL

Lisa Davey-Bates, Executive Director
www.lakeapc.org

367 North State Street, Ukiah, CA 95482
Administration: Suite 204 ~ 707-234-3314
Planning: Suite 206 ~ 707-263-7799

February 22, 2016

RECD BY CTC
FEB 29 2016

Senator Mike McGuire
1303 10th Street
Room 5064
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Senator Mike McGuire:

At their January 21 meeting, the California Transportation Commission (CTC) approved a revised Fund Estimate for the 2016 State Transportation Improvement Program (STIP) that will require the alarming deletion of $754 million (about one-third) in critical transportation funding for improvements throughout California. The State Transportation Improvement Program helps fund state highway, intercity rail, and regional highway and transit capital programs. These are extremely important projects that have been developed by Regional and Local Agencies for many years that help meet national, state, regional and local goals and priorities. They consist of projects that help our region maintain our air quality, improve safety and operation of our local transportation system, as well as help create jobs in our community.

The revision to the Fund Estimate is due to the estimated decrease to the State price-based portion of the gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "gas tax swap") is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the state sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further from 12 cents to 10 cents at their next meeting this spring. As such, the CTC adopted a Fund Estimate at their January meeting that considers the reduction in the price-based tax for the five-year STIP period starting in Fiscal year 16/17 through FY 20/21. This decrease of 2 cents with a gradual increase of 2 cents per year will have a profound effect that will lead to less funding available than previously forecasted. The revised Fund Estimate has led to the current predicament of needing to delete projects.

We urge you to take action on addressing this issue related to price-based excise tax that has a significant impact on funding projects that are important to our region. Despite a growing need for transportation improvements, California is reducing its investments in transportation infrastructure. During the current special legislative session, many ideas have been brought forward to increase and stabilize sources of transportation funding. Recently, proposals by Governor Jerry Brown, Senator Jim Beall, and Assemblyman Jim Frazier aim to address the issue of the price-based excise tax to restore funding for transportation projects. Governor Brown proposes to restore the tax to 18 cents and Senator Beall and Assemblyman Frazier propose to increase the tax to provide additional funding for transportation. A fix must be made to address the funding as we now face the dire situation of having to delete projects from the STIP.

In our region it means the minimum deletion of $358,000 in projects. A summary of projects deleted by the Lake Area Planning Council at their meeting on February 10, 2016 is as follows:

1. **City of Clearlake**: Preconstruction funding for the Dam Road/Phillips Avenue Extension - **$93,000**
2. **City of Lakeport**: Preconstruction funding for intersection improvements at Lakeport Blvd/S. Main Street - **$265,000**.

Additional projects at risk of being deleted by the California Transportation Commission:

3. **County of Lake**: Funding required for construction of roadway widening, and construction of bicycle and pedestrian improvements on South Main Street - **$4,369,000**
4. **County of Lake**: Funding for construction of roadway widening, and construction of bicycle and pedestrian improvements on Soda Bay Road - **$662,000**
5. **Lake APC/Caltrans:** Number one **regional priority project** to fully fund construction and construction support to widen and improve safety on State Highway 29 - **$24,027,000**

The scale of these cutbacks to the State Transportation Improvement Program is devastating for a rural county, as it is one of our few resources for transportation capital improvements. Without legislative relief, we see no prospects for funding for these projects and others in our capital improvement program for years to come.

We respectfully request your support to work with fellow legislators to help identify a timely solution to address this serious issue. Please contact me if you have any questions or would like to discuss further.

Sincerely,

Lisa Davey-Bates
Executive Director

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG

MADERA CTC
Madera County Transportation Commission

2001 Howard Road, Suite 201
Madera, California 93637

Office: 559-675-0721 Fax: 559-675-9328
Website: www.maderactc.org

February 17, 2016

The Honorable Tom Berryhill
State Senator, District 8
State Capitol, Room 3076
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Senator Berryhill:

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvement projects. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, and improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $2.7 million currently programmed in the STIP for projects in the Madera region. The two projects targeted for removal from the STIP are on SR 99 from Avenue 7-12 and SR 99 from Avenue 12-17. As you are aware, both of these projects are important for Madera County and the rest of the State as part of a vital goods movement corridor.

State Route 99 – Avenue 12 to Avenue 17 Widen to 6 Lanes
Current Amount in STIP: $1,545,000

Widening of this section of SR 99 within the city limits of the City of Madera is needed to improve safety, reduce congestion, increase connectivity of the highway system, and preserve acceptable facility operation. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

State Route 99 – Avenue 7 to Avenue 12 Widen to 6 Lanes
Current Amount in STIP: $1,500,000

Widening of this section of SR 99 is needed to improve safety, reduce congestion and increase connectivity of the highway system, and preserve acceptable facility operation of Route 99. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (559) 675-0721 or patricia@maderactc.org if you have any questions or wish to discuss further.

Sincerely,

Waseem Ahmed, Chair
Madera County Transportation Commission

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

MADERA CTC
Madera County Transportation Commission

2001 Howard Road, Suite 201
Madera, California 93637

Office: 559-675-0721 Fax: 559-675-9328
Website: www.maderactc.org

February 17, 2016

The Honorable Frank Bigelow
Assembly Member, District 5
State Capitol, Room 6027
Sacramento, CA 94249-0005

RE: Continuing Transportation Funding Crisis

Dear Assembly Member Bigelow:

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvement projects. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, and improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $2.7 million currently programmed in the STIP for projects in the Madera region. The two projects targeted for removal from the STIP are on SR 99 from Avenue 7-12 and SR 99 from Avenue 12-17. As you are aware, both of these projects are important for Madera County and the rest of the State as part of a vital goods movement corridor.

State Route 99 – Avenue 12 to Avenue 17 Widen to 6 Lanes
Current Amount in STIP: $1,545,000

Widening of this section of SR 99 within the city limits of the City of Madera is needed to improve safety, reduce congestion, increase connectivity of the highway system, and preserve acceptable facility operation. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

State Route 99 – Avenue 7 to Avenue 12 Widen to 6 Lanes
Current Amount in STIP: $1,500,000

Widening of this section of SR 99 is needed to improve safety, reduce congestion and increase connectivity of the highway system, and preserve acceptable facility operation of Route 99. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (559) 675-0721 or patricia@maderactc.org if you have any questions or wish to discuss further.

Sincerely,

Waseem Ahmed, Chair
Madera County Transportation Commission

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

MADERA CTC
Madera County Transportation Commission

2001 Howard Road, Suite 201
Madera, California 93637

Office: 559-675-0721 Fax: 559-675-9328
Website: www.maderactc.org

February 17, 2016

The Honorable Anthony Cannella
State Senator, District 12
State Capitol, Room 5082
Sacramento, CA 95814

RE: Continuing Transportation Funding Crisis

Dear Senator Cannella:

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region
The STIP funds intercity rail, highways, and transit capital improvement projects. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, and improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $2.7 million currently programmed in the STIP for projects in the Madera region. The two projects targeted for removal from the STIP are on SR 99 from Avenue 7-12 and SR 99 from Avenue 12-17. As you are aware, both of these projects are important for Madera County and the rest of the State as part of a vital goods movement corridor.

State Route 99 – Avenue 12 to Avenue 17 Widen to 6 Lanes
Current Amount in STIP: $1,545,000

Widening of this section of SR 99 within the city limits of the City of Madera is needed to improve safety, reduce congestion, increase connectivity of the highway system, and preserve acceptable facility operation. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

State Route 99 – Avenue 7 to Avenue 12 Widen to 6 Lanes
Current Amount in STIP: $1,500,000

Widening of this section of SR 99 is needed to improve safety, reduce congestion and increase connectivity of the highway system, and preserve acceptable facility operation of Route 99. The proposed 6-lane freeway would accommodate the traffic demand at or above LOS 'D' by 2025.

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact me at (559) 675-0721 or patricia@maderactc.org if you have any questions or wish to discuss further.

Sincerely,

Waseem Ahmed, Chair
Madera County Transportation Commission

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

SBCAG
santa barbara county association of governments

260 North San Antonio Road., Suite B ▪ Santa Barbara, CA ▪ 93110
Phone: 805/961-8900 ▪ Fax: 805/961-8901 ▪ www.sbcag.org

Board of Directors

Janet Wolf
Chair
Santa Barbara County
2nd District

Michael Bennett
Vice-Chair
City of Goleta

Salud Carbajal
Santa Barbara County
1st District

Doreen Farr
Santa Barbara County
3rd District

Peter Adam
Santa Barbara County
4th District

Steve Lavagnino
Santa Barbara County
5th District

Holly Sierra
City of Buellton

Jim Richardson
City of Solvang

Al Clark
City of Carpinteria

John Lizalde
City of Guadalupe

James Mosby
City of Lompoc

Helene Schneider
City of Santa Barbara

Alice Patino
City of Santa Maria

Ex-Officio Members

Tim Gubbins
Director
Caltrans District 5

William Dillon
Agency Counsel \
County Counsel

February 18, 2016

RECD BY CTC
MAR 0 1 2016

Honorable Senator Hannah-Beth Jackson
State Capitol, Room 2032
Sacramento, CA 95814

Honorable Assemblyman Katcho Achadjian
State Capitol
Sacramento, CA 94249

Honorable Assemblyman Das Williams
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0037

RE: Continuing Transportation Funding Crisis

Dear Senator Jackson, Assemblyman Achadjian and Assemblyman Williams,

We are greatly alarmed by the deletion of $754 million in funding for critical transportation improvements from the State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing because Californians are buying less gas due to fuel efficiency gains) and cheaper prices (due to drop in price of gasoline).

What This Action Means for Our Region

The STIP funds intercity rail, highways, and transit capital improvements. These are extremely important projects that have been in development for many years. The projects are also critical to meeting national, state, regional and local goals and priorities—like meeting the state's climate reduction goals. These projects also help assure safety, reduce congestion, improve local facilities for bicyclists and pedestrians. And these projects create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $9 million currently programmed in the STIP for projects in our region. The table below provides a summary of projects that SBCAG has discretion over that are at risk of deletion in our region.

Project Title	Location	STIP Amount	Matching Funds
U.S. 101 HOV Widening	Santa Barbara South Coast	$10.89 million (SBCAG and SJCOG RIP)	$140 million in Measure A funding
Fowler and Ekwill Street Extensions	Goleta	$11.372 million	$3.3 million in local funds
State Route 246 Landscaping	Near Lompoc	$528,000	$20 million in Measure A funding

U.S. 101 HOV Widening Project

The U.S. 101 HOV Widening Project is the Region's Highest Regional Transportation Priority. The project will widen U.S. 101 between Carpinteria and Santa Barbara by adding a new High Occupancy Vehicle lane in each direction. U.S. 101 on the Central Coast is the only other North South connector in California when Interstate 5 is closed due to fires, accidents, and inclement weather. The project will help reduce congestion, improve safety and air quality and improve the flow of vehicle travel and goods movement between Ventura and Santa Barbara Counties. Over 15,000 commuters travel the corridor on a daily basis. The project is the fourth phase of the widening project. Phases 1 and 2 have been completed and Phase 3, the Linden Avenue/Casitas Pass Interchanges project recently received an allocation by the CTC this past January. Construction of Phase 3 will begin this summer. The STIP funds programmed to the project will be a critical fund source to deliver the project. The Measure A program also commits $140 million in transportation sales tax funds to the project. The $140 million is coming 'off the top' of the program that was approved by 79% of voters in 2008. In addition to the currently programmed STIP funds, SBCAG will need additional contributions by the State in future STIP cycles for delivery of the project. It is vital that future STIP funds be available to deliver this critical project of regional, state and national significance.

City of Goleta Fowler and Ekwill Street Extension Project

This project will construct Ekwill Street and Fowler Road extensions across Old Town Goleta from Kellogg Avenue to Fairview Avenue. The new streets will have two travel lanes with left turn pockets, Class II bike lanes, and sidewalks and/or parkways. The project will also incorporate intersection capacity improvements (roundabouts) at the Hollister Avenue and Route 217 ramp intersections. In addition to STIP Regional Funds, the project also has been awarded State Active Transportation Program (ATP) funds. The City's Ekwill/Fowler project is being delivered in coordination with the federally funded Hollister Avenue Bridge replacement project due to their proximity to one another. The construction of the Hollister Avenue roundabouts (included in the Ekwill Street and Fowler Road Extensions project) and the Hollister Avenue Bridge will be a part of a single contract package.

State Route 246 Landscaping

The SR 246 Landscaping project will add new landscaping for the SR 246 Passing Lanes project that is currently being constructed between the cities of Lompoc and Buellton. Maintaining the $528,000 in State funding will leverage an investment of $.5 million in Measure A funds to complete the landscaping financing plan, thus creating jobs. The landscaping work is required mitigation under the approved environmental document.

Interregional Rail Projects

In addition to the projects listed above, two rail siding projects that could affect peak hour passenger rail service between Ventura and Goleta are in jeopardy. The Ortega Siding and Upgrade Extension is in Santa Barbara County, north of the City of Carpinteria. The Seacliff Siding Upgrade and Extension is in Ventura County, about 5 miles south of the City of Carpinteria. The projects are funded with "interregional" STIP funds under the administration of Caltrans, matched with Measure A funds from SBCAG.

How We Got to This Point

The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease to the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the continuing decline in the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents/gallon at their next meeting in February. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price-based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21. This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects.

How to Fix It

We urge the Legislature to take action to restore funding for the STIP. Three current proposals provide a partial solution. The Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

Although no Republican proposal has specifically addressed this issue to date, we note that this source of funding is protected under the Proposition 42 guarantee that the funds must be used for specific transportation purposes.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation. Californians are frustrated with the declining condition of their transportation system and want their leaders in Sacramento to act swiftly to provide funding needed to repair roads and bridges, reduce traffic congestion, expand transportation alternatives and make the system more sustainable. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. Please contact SBCAG Executive Director, Jim Kemp, if you have any questions or would to discuss further.

Sincerely,

Janet Wolf
Board Chair
Santa Barbara County Association of Governments

Cc: Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Commissioners, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies

1255 East Street, Suite 202 • Redding, CA 96001 • (530)262-6190 • FAX (530)262-6189
E-Mail srta@srta.ca.gov • HOME PAGE www.srta.ca.gov

Daniel S. Little, Executive Director

February 18, 2016

Senator Ted Gaines
State Senate District 1
1900 Churn Creek Road, Suite 204
Redding, CA 96001

RE: Transportation Funding Crisis and Impact on Shasta County

Dear Honorable Senator Gaines:

The Shasta Regional Transportation Agency (SRTA) is deeply concerned by the deletion of $754 million in funding for critical transportation improvements from the 2016 State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing due to: a) Californians buying less gas due to fuel efficiency gains; and b) decreases in the price of gasoline.

Impact to the SRTA Region

The STIP is our only source for freeway capacity improvements. These funds are extremely important projects that have been in development for many years. These projects also help assure safety, reduce congestion, facilitate commerce, and create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $4.284M to the Shasta region. For the 2016 STIP, SRTA was simply trying to hang onto $13.367M in proposed projects that were approved by the CTC in 2014. There are just four projects, with one, the Interstate 5 Redding to Anderson Six-Lane Project (RASL) comprising 91% ($12.122M) of programming. The remaining three projects include two bicycle and pedestrian projects and planning and programming funds for SRTA; the total of these other three is $1.245M.

The catch is that a couple of these projects leverage outside funding to the region. Due to lengthy negotiations and the region's commitment to Interstate 5, SRTA has managed to receive $15.743M in additional state funds (non-STIP) to match the $12.122M in regional funds SRTA programmed on I-5. In addition, the city of Redding has secured another $2.238M to match the $400K regional STIP investment for the Diestelhorst to Downtown Non-Motorized Improvement Project connecting the Sacramento River Trail to Downtown.

Therein lies our concern: Not only does the region stand to lose $12.122M in STIP funds under this proposed cut, we would also lose $15.743M in other funds for a total loss to the region of $27.865M.

Funding Decline Background

As you know, the STIP remains a volatile source of funding since it is subject to adjustments based on wild fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18

cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this spring. The $754 million decrease in STIP funding means deletion of projects. But impacts run far beyond the STIP; local street and road funds are suffering as well.

Possible Solutions

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts, and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal. As we discussed before, the STIP formula to regions represents the highest rate of return to the rural and small urban areas, of your district, compared to any other formula program.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation—without such a stipulation, transportation revenue has no hope of keeping up. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. I look forward to speaking with you directly on this subject and will follow-up with a phone call in the upcoming week.

Sincerely,

Daniel S. Little, AICP, Executive Director
Shasta Regional Transportation Agency (MPO)

DSL/KKU/jac

c: SRTA Board of Directors
Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Dave Moore, Director, Caltrans District 2
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies
Ms. Lisa Davies-Bates, Chair, North State Super Region

1255 East Street, Suite 202 • Redding, CA 96001 • (530)262-6190 • FAX (530)262-6189
E-Mail srta@srta.ca.gov • HOME PAGE www.srta.ca.gov

Daniel S. Little, Executive Director

February 18, 2016

Assembly Member Brian Dahle
State Assembly District 1
280 Hemsted Drive, Suite 110
Redding, CA 96002

RE: Transportation Funding Crisis and Impact on Shasta County

Dear Honorable Assemblyman Dahle:

The Shasta Regional Transportation Agency (SRTA) is deeply concerned by the deletion of $754 million in funding for critical transportation improvements from the 2016 State Transportation Improvement Program (STIP). Current law required the California Transportation Commission to revise the Fund Estimate for the STIP due to lower forecasted state gas tax revenues. The revenues are decreasing due to: a) Californians buying less gas due to fuel efficiency gains; and b) decreases in the price of gasoline.

Impact to the SRTA Region

The STIP is our only source for freeway capacity improvements. These funds are extremely important projects that have been in development for many years. These projects also help assure safety, reduce congestion, facilitate commerce, and create jobs.

The precipitous decline in fuel tax revenues is likely to result in the deletion of $4.284M to the Shasta region. For the 2016 STIP, SRTA was simply trying to hang onto $13.367M in proposed projects that were approved by the CTC in 2014. There are just four projects, with one, the Interstate 5 Redding to Anderson Six-Lane Project (RASL) comprising 91% ($12.122M) of programming. The remaining three projects include two bicycle and pedestrian projects and planning and programming funds for SRTA; the total of these other three is $1.245M.

The catch is that a couple of these projects leverage outside funding to the region. Due to lengthy negotiations and the region's commitment to Interstate 5, SRTA has managed to receive $15.743M in additional state funds (non-STIP) to match the $12.122M in regional funds SRTA programmed on I-5. In addition, the city of Redding has secured another $2.238M to match the $400K regional STIP investment for the Diestelhorst to Downtown Non-Motorized Improvement Project connecting the Sacramento River Trail to Downtown.

Therein lies our concern: Not only does the region stand to lose $12.122M in STIP funds under this proposed cut, we would also lose $15.743M in other funds for a total loss to the region of $27.865M.

Funding Decline Background

As you know, the STIP remains a volatile source of funding since it is subject to adjustments based on wild fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18

cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this spring. The $754 million decrease in STIP funding means deletion of projects. But impacts run far beyond the STIP; local street and road funds are suffering as well.

Possible Solutions

We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts, and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal. As we discussed before, the STIP formula to regions represents the highest rate of return to the rural and small urban areas, of your district, compared to any other formula program.

Accordingly, we support restoring the price base excise tax to its former rate and allowing the STIP funding revenue to adjust with inflation—without such a stipulation, transportation revenue has no hope of keeping up. We believe that Californians understand and support the need to maintain continued investments in transportation infrastructure.

We respectfully request your support to work with fellow Legislators to help identify a timely solution to address this serious issue with transportation funding. I look forward to speaking with you directly on this subject and will follow-up with a phone call in the upcoming week.

Sincerely,

Daniel S. Little, AICP, Executive Director
Shasta Regional Transportation Agency (MPO)

DSL/KKU/jac

c: SRTA Board of Directors
Members, Senate Transportation and Housing Committee
Members, Assembly Transportation Committee
Mr. Bob Alvarado, Chair, California Transportation Commission
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Will Kempton, Executive Director, California Transportation Commission
Mr. Malcolm Dougherty, Director, California Department of Transportation
Mr. Dave Moore, Director, Caltrans District 2
Mr. Bill Higgins, Executive Director, CalCOG
Mr. Sarkes Khachek, Moderator, Regional Transportation Planning Agencies
Ms. Lisa Davies-Bates, Chair, North State Super Region