

## AB 1 (Frazier) Transportation Funding Package

- A \$6 billion annual funding package to repair and maintain our state and local roads, improve our trade corridors, and support public transit and active transportation.
- A \$706 million repayment of outstanding transportation loans for state and local roads.
- Eliminates the BOE "true up" that causes funding uncertainty and is responsible for drastic cuts to regional transportation projects.
- Indexes transportation taxes and fees to the California CPI to keep pace with inflation.
- Includes reforms and accountability for state and local governments to protect taxpayers.
- Streamlines transportation project delivery to help complete projects quicker and cheaper.
- Protects transportation revenue from being diverted for non-transportation purposes.\*
- Helps local governments raise revenue at home to meet the needs of their communities.\*

### New Annual Funding

- **State** -- \$1.9 billion annually for maintenance and rehabilitation of the state highway system.
- **Locals** -- \$2.4 billion annually for maintenance and rehabilitation of local streets and roads.
- **Regions** -- \$577 million annually to help restore the cuts to the State Transportation Improvement Program (STIP).
- **Transit** -- \$563 million annually for transit capital projects and operations.
- **Freight** -- \$600 million annually for goods movement.
- **Active Transportation** -- \$80 million annually, with up to \$150 million possible through Caltrans efficiencies, for bicycle and pedestrian projects.
- Constitutional Amendment to help locals raise funding at home by lowering the voter threshold for transportation tax measures to 55 percent.\*

### Reforms and Accountability

- Restores the independence of the California Transportation Commission (CTC).
- Creates the Office of Transportation Inspector General to oversee all state spending on transportation.
- Increases CTC oversight and approval of the State Highway Operations and Protection (SHOPP) program.
- Requires local governments to report streets and roads projects to the CTC and continue their own funding commitments to the local system.

### Streamlining Project Delivery

- Permanently extends existing CEQA exemption for improvements in the existing roadway.
- Permanently extends existing federal NEPA delegation for Caltrans.
- Creates an Advance Mitigation program for transportation projects to help plan ahead for needed environmental mitigation.

### New Annual Funding Sources

- Gasoline Excise Tax -- \$1.8 billion (12 cents per gallon increase)
- End the BOE "true up" -- \$1.1 billion
- Diesel Excise Tax -- \$600 million (20 cents per gallon increase)
- Vehicle Registration Fee -- \$1.3 billion (\$38 per year increase)
- Zero Emission Vehicle Registration Fee -- \$21 million (\$165 per year starting in 2nd year)
- Truck Weight Fees -- \$500 million (return to transportation over five years)
- Diesel Sales Tax -- \$263 million (increase increment to 5.25%)
- Cap and Trade -- \$300 million (from unallocated C&T funds)
- Miscellaneous transportation revenues -- \$185 million

### Keeping Promises and Protecting Revenues

- One-time repayment of outstanding loans from transportation programs over two years. (\$706 million)
- Return of half of the truck weight fees to transportation projects over five years. (\$500 million)
- Constitutional amendment to ensure new funding cannot be diverted for non-transportation uses.

*\*These provisions will be in companion bills.*

*\*Revenue estimates using 2016 LAO funding projections and \$500 million weight fee return in 2021*

**SB 1 (Beall): Transportation Infrastructure and Economic Investment Act**  
*A \$6 billion/yr. package to improve our roads and transportation infrastructure*

California's transportation revenues have not kept up with the need; California's gas tax hasn't been raised since 1994. As a result, California's freeway system faces a \$59 billion maintenance shortfall over the next 10 years, while local governments face a \$78 billion shortfall for local roads, highways and bridges.

**Proposal:**

This plan proposes \$6 billion annually in new and redirected funding to address the urgent needs of the state's transportation system.

- Revenues adjustments and enhancements include the following:
  - \$5 billion annually from a phased-in 12 cent gas tax increase
  - Restoration of the price-based gas excise tax rate to 2010 levels
  - Increase in the diesel excise tax by 20 cents and diesel sales tax by 4%
  - Increase in the vehicle registration fee by \$38
  - New requirement on zero-emission vehicles to pay an annual \$100 fee for road maintenance and repair
- Reallocation of existing truck weight fees: \$500 million annually phased-in over five years that will go towards road maintenance and repair rather than to pay down transportation bond debt service.
- Increase the Cap and Trade (C&T) allocation for transit by increasing the share of C&T revenues to the Low Carbon Transit Operations Program and the Transit and Intercity Rail Capital Program.
- Caltrans Efficiency improvements: Estimated \$70 Million annually
- Accelerate General Fund Loan Repayments: \$706 million in one-time revenue repaid to transportation programs from the General Fund

**How will the money be spent?**

- 50/50 funding split between state and local agencies for road and bridge maintenance and repair
- Transit improvements, including passenger rail and bus lines.
- Trade corridor improvements to facilitate goods movement from our ports and border

**Additional transportation improvements:**

- Transportation program reforms to ensure accountability and effectiveness
- CEQA streamlining and funding for an advanced mitigation program for transportation projects

**Economic benefits**

A 10-year, \$6 billion annual investment into repairing and upgrading California's transportation infrastructure would generate an estimated \$111.9 billion in economic activity including 570,000 jobs – nearly 200,000 of which would be in construction occupations earning prevailing wages, \$38.7 billion in personal income and \$4.5 billion in additional local and state tax revenues.