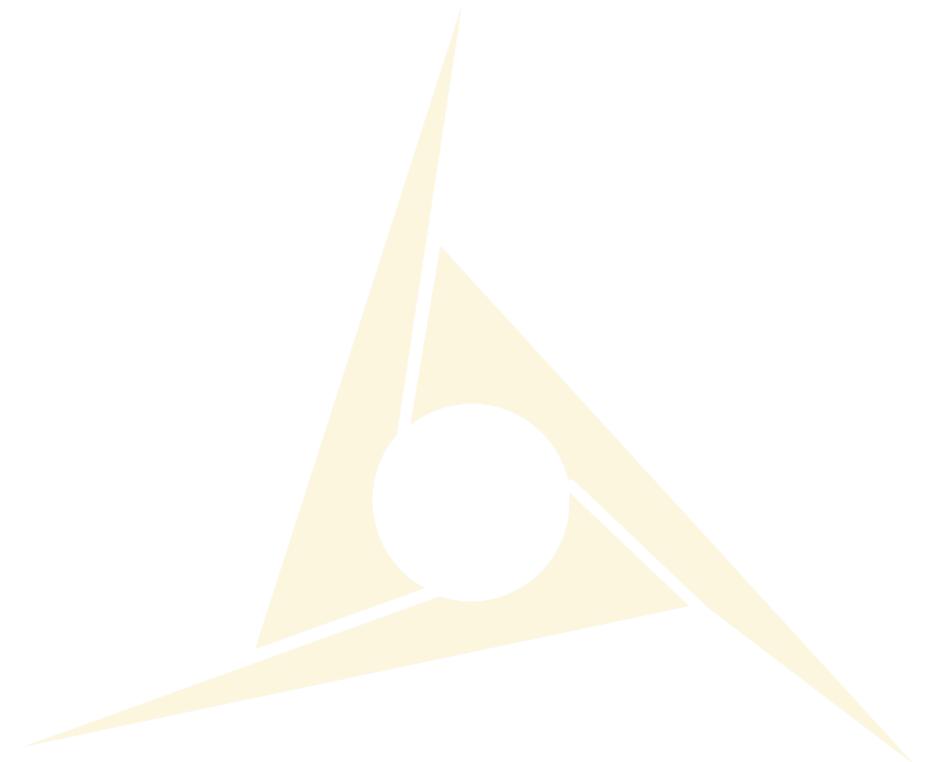


State and Local Transportation Needs Assessment

Road Charge Technical Advisory Committee

November 15, 2024

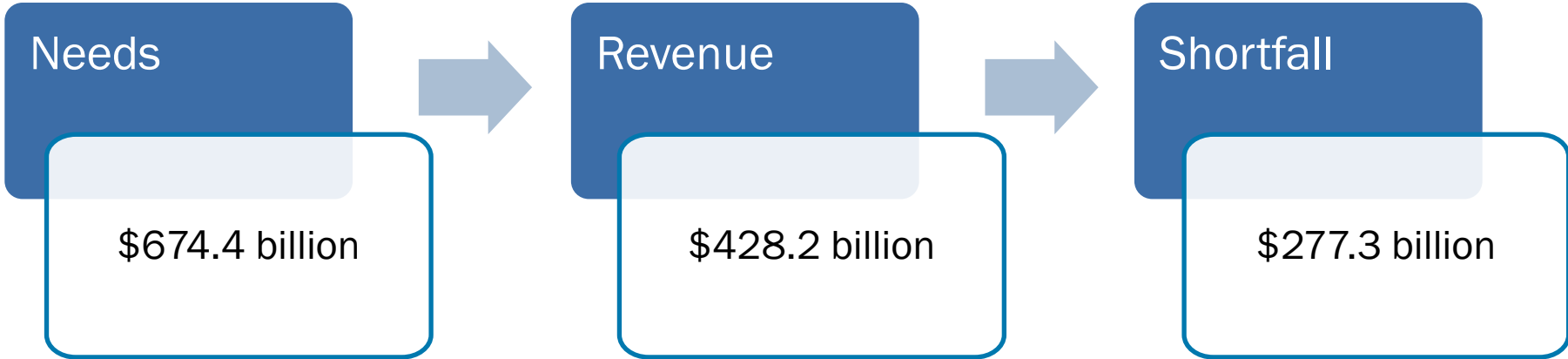


Needs Assessment Overview

Senate Bill 1121 (Gonzalez, 2022)

- Requires Commission to prepare a 10-year statewide transportation Needs Assessment and update every 5 years
- Assess costs to operate, maintain, and grow the statewide multimodal system
- Consider costs to address climate resiliency
- Compare costs against available transportation revenues
- Provide recommendations to address any revenue shortfall

Draft Findings



2025 to 2035 Statewide Needs and Revenue Summary

Asset	Need (\$billion)
Transit and Rail	\$359.6
State Highway System	\$187.5
Local Roads and Streets	\$93.1
Complete Streets and Active Transportation	\$34.2
Total	\$674.4

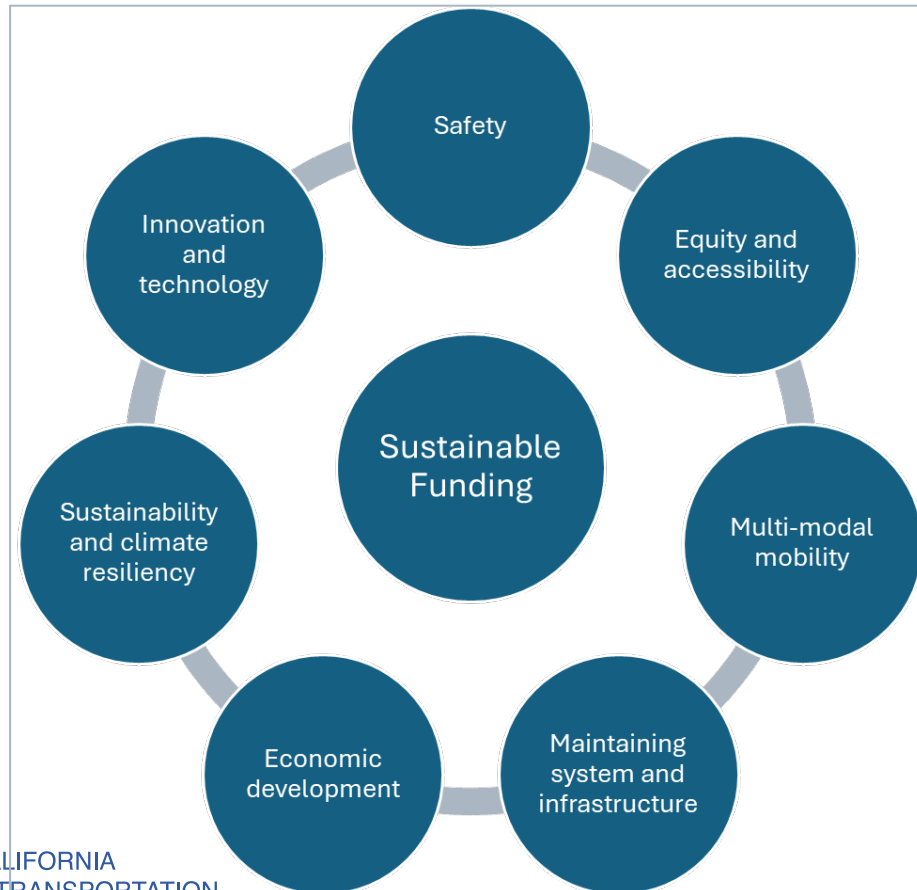
Source	Revenue (\$billion)
State	\$185.5
Local and Regional Sales Tax	\$126.4
Federal	\$46.2
Transit	\$43.9
Tolls	\$26.2
Total	\$428.2

Revenue Impact of Zero-Emission Vehicles

Study	General Approach	10-Year Reduction
Legislative Analyst's Office	85% of new vehicle purchases as zero-emission vehicles by 2045 65% of new vehicle purchases as zero-emission vehicles by 2045 and improved fuel efficiency	\$13.2 billion \$29.9 billion
Needs Assessment Analysis	Adoption of Advanced Clean Cars II/Fleet and improved fuel efficiency	\$31.1 billion
Mineta Transportation Institute	Varied vehicle miles traveled Varied rate of new vehicle purchases as zero-emission vehicles Improved fuel efficiency	\$6.0 billion to \$30.3 billion

Draft Policy Recommendations Development

Proposed First Principles



Discussion Scenarios

- Scenario 1: Do nothing/continue as is
- Scenario 2: Adjust Existing Revenue Mechanisms
- Scenario 3: Phased-in Replacement of Existing Mechanisms with Sustainable Funding Source
- Scenario 4: Full replacement of existing revenue mechanisms with Sustainable Funding Source

Additional Takeaways from Sustainable Funding Source Scenario Discussion

- **Fair Implementation:** Emphasis on fairness, especially for varying driving patterns and vehicle weights.
- **Equity Design:** Need for an equitable design in sustainable funding sources, i.e. low-income, accessible.
- **Additional Incentives:** Suggestions for incentives to encourage ZEV adoption.
- **Creative Solutions:** Calls for innovative funding mechanisms beyond traditional taxes.
- **Additional Suggested Scenarios to Explore**
 - Streamline existing funding and create more flexibility
 - Explore sustainable funding source for medium-heavy duty vehicles
 - Tolling
 - Vehicle Registration Fees

Review of Discussion Scenarios

Scenario	Pros	Cons
A. Do nothing/continue as is	<ul style="list-style-type: none"> No implementation requirements Established process 	<ul style="list-style-type: none"> Results in decline in revenue Unable to address transportation needs
B. Adjust Existing Revenue Mechanisms	<ul style="list-style-type: none"> Increases revenue Established process 	<ul style="list-style-type: none"> Potential burden on lower-income users Decline in funding as zero-emission vehicles increases
C. Phased-In Replacement of Existing Mechanisms with Road Charge	<ul style="list-style-type: none"> More equitable than Scenario B Allows time to address any challenges Increase familiarity with public 	<ul style="list-style-type: none"> Does not address short-term needs
D. Full Replacement of Existing Revenue Mechanisms with Road Charge	<ul style="list-style-type: none"> A more equitable than Scenario A, B, and C Increases revenue 	<ul style="list-style-type: none"> Different fee structure and collection process

Methodology

- Stakeholder workgroup meetings and workshops (technical and policy focused)
- Interagency Equity Advisory Committee Engagement
- Existing transportation plans and reports
 - State Highway System Management Plan
 - California State Rail Plan
 - Local Streets and Roads Report
 - Regional Transportation Plans
- Survey of local and regional agencies for 10-year revenue projections and needs in Regional Transportation Plans

Full Needs Assessment Timeline

DATE	MILESTONE
January 28, 2024	Final Interim Needs Assessment Submitted to California Legislature
February 16, 2024	Technical Workshop (virtual)
February 21, 2024	Technical Workshop (virtual)
May 30, 2024	Policy Recommendations Workshop (Los Angeles/Virtual)
June 17, 2024	Policy Recommendations Workshop (Sacramento/Virtual)
Fall to Winter 2024	Providing Updates at Stakeholder Meetings* Draft Needs Assessment Released for Public Comment Draft Needs Assessment Presented to the Commission
First Quarter 2025	Final Needs Assessment Adoption Final Needs Assessment Submitted to California Legislature

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Thank You

Senate Bill 1121 Webpage

<https://catc.ca.gov/programs/sb1121>

