

The Road Repair and Accountability Act of 2017 (SB 1)

Presented by:

Matt Robinson

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SB 1 – How did it happen?

- 2++ years of work by Assembly Member Frazier, Senator Jim Beall, and the Governor's Administration
- Lots of engagement/pressure from local agencies and stakeholder groups (e.g. Fix Our Roads coalition)
- Governor, Senate President Pro Tem & Assembly Speaker got more involved last fall as Special Session expired
 - Committed to April 6 deadline in January
 - Heavily involved for last several weeks
 - Leaders negotiated the final deal that was amended in to SB 1 on March 30
- \$5.2 billion/year once the revenues are fully in place (FY 2020-21)
- Bill required 2/3 vote in both houses of the Legislature
 - Passed 27-11 in the Senate and 54-26 in the Assembly



SB 1 – Where is the funding coming from?

- SB 1 draws on several existing funding sources:
 - 12 cent increase in the gasoline excise tax (eff. 11/1/2017) - *CPI*
 - 20 cent increase in the diesel excise tax (eff. 11/1/2017) - *CPI*
 - 4 % increase in the diesel sales tax (eff. 11/1/2017)
 - Price-based excise tax set at 17.3 cents (eff. 7/1/2019) - *CPI*
- SB 1 introduces two new funding sources:
 - \$25-\$175 value-based fee on vehicles (eff. 1/1/2018) - *CPI*
 - \$100 fee on zero-emission vehicles (eff. 1/1/2020) - *CPI*
- SB 1 also includes \$706 million in loan repayments



SB 1 – How is the funding distributed?

- 12 cent gasoline excise tax increase (est. \$1.8 billion annually)
 - A portion is directed to OHV, agriculture, and boating
 - Remaining revenue goes to the Road Maintenance and Rehabilitation Account (RMRA)
 - Several “off-the-top” deductions are made:
 - \$200 million for self-help counties
 - \$100 million for ATP
 - \$400 million for Caltrans for bridges and culverts
 - \$25 million for freeway service patrol program
 - \$5 million to workforce development
 - \$25 million for local planning grants
 - \$7 million for UC/CSU ITS programs
 - Remainder split 50/50 between cities/counties and the SHOPP



SB 1 – How is the funding distributed? (Cont.)

- 20 cent diesel excise tax increase (est. \$600 million annually)
 - 50 % of revenues go to Trade Corridors Enhancement Fund
 - No detail in SB 1 on what it can/will be used for (e.g. TCIP)
 - 50% to RMRA to be distributed as previously described
- 4 % diesel sales tax increase (est. \$300 million annually)
 - 3.5 % to State Transit Assistance program
 - 0.5 % to intercity & commuter rail operators
- 17.3 cent priced-based excise tax
 - Funding distributed via traditional 44/44/12 split



SB 1 – How is the funding distributed? (Cont.)

- Transportation Improvement Fee (est. \$1.5 billion annually)
 - \$350 million to Public Transportation Account
 - 70 % to TIRCP
 - 30 % to STA program for maintenance, rehab & capital
 - \$250 million to the Congested Corridor Program
 - Projects that are part of a “comprehensive corridor plan”
 - Projects may incorporate HOV/HOT lanes, bike lanes, transit projects & environmental mitigation
 - Regional agencies submit projects to CTC for approval
 - Remainder to RMRA to be distributed as previously described
- \$100 zero-emission vehicle fee (est. \$18 million annually)
 - To RMRA to be distributed as previously described



SB 1 – How is the funding distributed? (Cont.)

- \$706 million loan repayment
 - \$20 million for climate change adaptation planning
 - \$236 million to TIRCP
 - \$225 million for SHOPP
 - \$225 million for local streets & roads



SB 1 – What else is in the bill?

- \$100 million in “Caltrans efficiencies”
- \$120 million (over 4 years) for the Advance Mitigation Program
- A few other things related to SB 1:
 - \$400 million from TIRCP for ACE system
 - \$100 million for UC Merced campus parkway project
 - \$427 million for projects in Riverside County
 - \$50 million for “clean” warehouses
 - Indemnity for design professionals
 - *All of this subject to future legislative approval*



SB 1 – What does it mean for San Mateo County?

- \$14.4 million/year → San Mateo County
- \$16.4 million/year → Cities in San Mateo County
 - Atherton - \$170,000
 - Belmont - \$640,000
 - Brisbane - \$110,000
 - Burlingame - \$720,000
 - Colma - \$50,000
 - Daly City - \$2.5 million
 - East Palo Alto - \$700,000
 - Foster City - \$770,000
 - Half Moon Bay - \$290,000
 - Hillsborough - \$280,000
 - Menlo Park - \$800,000
 - Millbrae - \$550,000
 - Pacifica - \$920,000
 - Portola Valley - \$110,000
 - Redwood City - \$1.9 million
 - San Bruno - \$1 million
 - San Carlos - \$710,000
 - San Mateo - \$2.4 million
 - South San Francisco - \$1.6 million
 - Woodside - \$140,000
- \$10.5 million/year → Transit agencies in San Mateo County
- \$41.5 million/year → MTC for transit
- \$15 million/year → San Mateo County STIP Share



SB 1 – Is the new money protected?

- ACA 5 (Frazier and Newman) protects the revenues generated by SB 1 from future borrowing
 - Also protects existing diesel sales tax revenue
- The measure would go before voters in June 2018
- Allows for the state to continue to redirect truck weight fee revenue to pay debt-service on transportation bonds
- Required a 2/3 vote to pass Legislature
 - Passed 28-10 in the Senate and 56-24 in the Assembly
- On the ballot - ACA 5 needs a simple majority to pass



SB 1 – In Summary

STATEWIDE INVESTMENT PROGRAMS (50%)	
Fix-it-First Highways	\$15 billion
Bridge and Culvert Repair	\$4 billion
Trade Corridor Investments	\$3 billion
Solutions for Congested Commute Corridors	\$2.5 billion
Parks Funding for Ag, Off-Highway Vehicle & Boating	\$800 million
STIP (State Share)	\$275 million
Freeway Service Patrol	\$250 million
California Public Universities Transportation Research	\$70 million
Local or Regional Investment Programs (50%)	
Fix-it-First Local Roads	\$15 billion
Transit Capital and Operations	\$7.5 billion
Local Partnership Funds	\$2 billion
Active Transportation Program Bicycle and Pedestrian Investments	\$1 billion
STIP (Local Share)	\$825 million
Local Planning Grants	\$250 million
TOTAL	\$52.4 billion

Questions?

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