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

Presented by:
Matt Robinson
Shaw / Yoder / Antwi
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

<table>
<thead>
<tr>
<th>Statewide Investment Programs (50%)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fix-it-First Highways</td>
<td>$15 billion</td>
</tr>
<tr>
<td>Bridge and Culvert Repair</td>
<td>$4 billion</td>
</tr>
<tr>
<td>Trade Corridor Investments</td>
<td>$3 billion</td>
</tr>
<tr>
<td>Solutions for Congested Commute Corridors</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Parks Funding for Ag., Off-Highway Vehicle &amp; Boating</td>
<td>$800 million</td>
</tr>
<tr>
<td>STIP (State Share)</td>
<td>$275 million</td>
</tr>
<tr>
<td>Freeway Service Patrol</td>
<td>$250 million</td>
</tr>
<tr>
<td>California Public Universities</td>
<td>$70 million</td>
</tr>
<tr>
<td>Transportation Research</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local or Regional Investment Programs (50%)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fix-it-First Local Roads</td>
<td>$15 billion</td>
</tr>
<tr>
<td>Transit Capital and Operations</td>
<td>$7.5 billion</td>
</tr>
<tr>
<td>Local Partnership Funds</td>
<td>$2 billion</td>
</tr>
<tr>
<td>Active Transportation Program</td>
<td></td>
</tr>
<tr>
<td>Bicycle and Pedestrian Investments</td>
<td>$1 billion</td>
</tr>
<tr>
<td>STIP (Local Share)</td>
<td>$825 million</td>
</tr>
<tr>
<td>Local Planning Grants</td>
<td>$250 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$52.4 billion</strong></td>
</tr>
</tbody>
</table>
Questions?
The Road Repair and Accountability Act of 2017 (SB 1)

Presented by:
Matt Robinson
Shaw / Yoder / Antwih