

AGENDA

Legislative Committee

The next meeting of the Legislative Committee will be as follows.

Date: Thursday, February 11, 2016 - 5:30 p.m. to 6:30 p.m.
 Place: San Mateo County Transit District Office¹
 1250 San Carlos Avenue
2nd Floor Auditorium
 San Carlos, California

PLEASE CALL Jean Higaki (599-1462) IF YOU ARE UNABLE TO ATTEND.

1	Public comment on related items not on the agenda.	Presentations are limited to 3 Minutes	
2	Approval of Minutes from December 10, 2015.	Action (Gordon)	Pages 1-4
3	Update from Shaw/Yoder/Antwih	Information (Shaw/Yoder/Antwih)	
4	Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified). - Letter to Frazier and Beall requesting a legislative solution for the STIP - Letter to Frazier in support of AB 1591	Action (Gordon)	Page 5- 25
5	Discussion of “Lobby Day” and “Lobby Day” Topics	Action (Higaki/ Fabry)	Page 26-29
6	Adjournment	Action (Gordon)	

NOTE: All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.

¹From Route 101 take the Holly Street (west) exit. Two blocks past El Camino Real go left on Walnut. The entrance to the parking lot is at the end of the block on the left, immediately before the ramp that goes under the building. Enter the parking lot by driving between the buildings and making a left into the elevated lot. Follow the signs up to the levels for public parking.

For public transit access use SamTrans Bus lines 390, 391, 292, KX, PX, RX, or take CalTrain to the San Carlos Station and walk two blocks up San Carlos Avenue.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MEETING MINUTES
December 10, 2015**

At 5:30 P.M. Chair Gordon called the Legislative Committee meeting to order in the 2nd Floor auditorium at the San Mateo Transit District Office.

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc. (call in)
Sandy Wong, Jean Higaki, - C/CAG Staff

1. Public comment on related items not on the agenda.

None

2. Approval of Minutes from October 8, 2015.

Member Aguirre moved and Member Nihart seconded approval of the October 8, 2015 minutes. Motion passed 4-0. Member Ervin abstained.

3. Update from Shaw/ Yoder/ Antwih (SYA).

Matt Robinson, from Shaw/ Yoder/ Antwih provided an update from Sacramento.

This month has been pretty uneventful. Legislature is in recess and due to reconvene on January 4th, 2016.

Proposed FY 2016/ 2017 is expected to be unveiled shortly after the recess.

It is anticipated to include an expenditure plan for Cap and Trade. There is a set aside for transit and the Affordable Housing Sustainable Communities (AHSC) program however about 40% (estimated about 2 billion) of Cap and Trade revenue is subject to appropriation each year by the Legislature. It is anticipated that it would still be used for such areas as agricultural conservation, waste diversion, clean vehicle, and water efficiency type programs.

In the next year there are two bills that C/CAG has an interest in and staff has been following along with the rest of the regions Congestion Management Agencies (CMAs) as it proposes to change Congestion Management Plans and the CMA's role.

C/CAG and the San Mateo County Transportation Authority (SMCTA) is still working with Assembly Member Mullin on AB 378 which is a vehicle to help facilitate a solution for the congestion on the US 101 corridor. This is currently a placeholder bill that requires Caltrans to

form a working group that included C/CAG and SMCTA. This bill can be revised to something more useful when/ if defined.

Chair Gordon asked if there were any special appropriations for transportation expected in the upcoming budget. Matt believes that the Governor was pushing for \$400 million in transit and \$100 million for a Caltrans complete streets program out of Cap and Trade. Except for the two programs described is expected that the mix in programs will be very similar to last year's programs.

Member Nihart asked if Caltrans was the appropriate agency to manage the complete streets program. Member Nihart and Gordon asked if they should push for stormwater integration however Sacramento is not that interested in that at this point. This program may not happen depending on where the transportation budget is.

Member Nihart asked if a separate meeting in District could be set up with Senator Jerry Hill to discuss potential partnership with Caltrans stormwater permit requirements and the funding dedicated to that program.

Regarding the special session, Senator Beall and Assembly Member Frazier may try to revise their transportation funding bills to see if they can make it more palatable in January and see where they are in votes. Primary elections in June may thwart any effort to pass anything with a tax in it before June next year.

Member O'Connell asked about the status of AB 1362 (Gordon). The bill has been gutted and amended to go in a different direction from Prop 218 reform. League of Cities is looking to see if they can gather enough signatures to put this issue on the ballot. They have till early next year to see if they can gather enough support.

Matt proposed setting up a Lobby Day for spring of 2016.

4. Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).

No Action was taken.

5. Review and recommend approval of the C/CAG Legislative Policies for 2016

The Legislative Committee recommended a language change to policy item 3.1.c to read "Advocate for an integrated approach to both funding and project types for incorporating stormwater management with statewide and regional infrastructure efforts."

Member O'Connell moved and Member Aguirre seconded to recommend approval of the C/CAG Legislative Policies for 2016 with changes recommended by the Legislative Committee. Motion passed unanimously.

6. Review and approval of the 2016 C/CAG Legislative Committee calendar

Member O'Connell moved and Member Nihart seconded approval of the 2016 C/CAG Legislative Committee calendar. Motion passed unanimously.

7. Adjournment

The meeting adjourned at approximately 6:10 P.M.

Legislative Committee 2015 Attendance Record

Agency	Name	Jan 8	Feb 12	March 12	April 2	May 14	June 4	July	Aug 13	Sept 10	Oct 8	Nov	Dec 10
San Bruno	Irene O'Connell								x		x		x
Foster City	Art Kiesel (Leg Vice Chair)	x	x	x	x	x	x		x	x	x		N/A
Woodside	Deborah Gordon (Leg Chair)	x	x	x		x			x	x	x		x
Pacifica	Mary Ann Nihart (C/CAG Chair)		x	x	x	x			x	x	x		x
Hillsborough	Laurence May	x							x		N/A		N/A
Pacifica	Karen Ervin	x	x	x	x	x			x	x			x
South San Francisco	Richard Garbarino	x		x	x	x	x		x		x		
Menlo Park	Catherine Carlton	x				x	x				x		
Menlo Park	Kirsten Keith	x	x		N/A	N/A	N/A		N/A	N/A	N/A		N/A
Redwood City	Alicia Aguirre (C/CAG Vice Chair)		N/A	N/A		x				x	x		x

 no meeting

C/CAG AGENDA REPORT

Date: February 11, 2016

To: C/CAG Legislative Committee

From: Sandy Wong, Executive Director

Subject: Review and recommend approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Legislative Committee recommend the C/CAG Board to take a position on any legislation or direct staff to monitor any legislation for future positions to be taken.

- Letter to Frazier and Beall requesting a legislative solution for the STIP
- Letter to Frazier in support of AB 1591

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

NA.

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

On January 7, 2016 the Governor released his proposed budget which re-emphasized the need to find a solution to the state's transportation infrastructure crisis. His proposal included investing \$36 billion in transportation over the next decade. AB 1591 (Frazier) proposes another aggressive transportation funding package in addition to another proposal SB 1x1 (Beall) which was proposed during special session. These proposal are attached for comparison.

On January 27, 2016 the California Transportation Commission (CTC) sent a letter to the California State Legislature regarding a reduction of \$754 million to the funds expected to be available over the five-year State Transportation Improvement Program (STIP) period. The current upcoming 2016 STIP had zero programming capacity and this new reduction would delay or delete currently programmed projects. The CTC is urging the legislature to compromise and develop a meaningful solution to the transportation funding problem.

Attached are two letters of support. The first letter is to echo the CTC concerns to our delegates

regarding the latest STIP fund estimate. The second letter is to support Jim Frazier's transportation funding bill AB 1591.

ATTACHMENTS

1. February 2016 Legislative update from Shaw/ Yoder/ Antwih, Inc.
2. Comparison of the Governor's Budget proposal, AB 1591, and SB 1x1
3. Letter from CTC to the Legislature regarding the revised STIP fund estimate
4. Letter to Jim Beall and Jim Frazier regarding the revised STIP fund estimate
5. Letter of support for AB 1591 (Frazier)
6. Full Legislative information is available for specific bills at <http://leginfo.legislature>



SHAW/YODER/ANTWIH, *inc.*
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: January 29, 2016
TO: Board Members, City/County Association of Governments, San Mateo County
FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE: STATE LEGISLATIVE UPDATE – February 2016

Legislative Update

The Legislature reconvened for the second year of the two-year 2015-16 Regular Legislative Session on January 4. The last day for bills to be introduced is February 19, before which a number of new bills will be introduced. Once we have a clearer picture of all new 2016 bills, we will work with your staff to identify critical measures on which the Board may want to adopt an advocacy position.

Governor's Budget Released

On January 7, Governor Brown released his proposed 2016-17 budget. The Governor's Proposed Budget doubles down on the need to find a solution to the state's transportation infrastructure crisis and again highlights **his proposal to invest \$36 billion in transportation over the next decade**. The Governor reminds us that the Legislature has convened a conference committee as part of the special session on transportation infrastructure and that work continues toward delivering a comprehensive transportation funding plan, and hopes the conference committee will focus on a few key principles:

- Focusing new revenue primarily on "fix-it-first" investments to repair neighborhood roads and state highways and bridges;
- Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy;
- Providing funding to match locally generated funds for high-priority transportation projects;
- Continuing measures to improve performance, accountability and efficiency at Caltrans;
- Investing in passenger rail and public transit modernization and improvement; and,
- Avoiding an impact on the precariously balanced General Fund.

The Governor's proposed transportation funding package includes "a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies & streamlined project delivery, accountability measures, and constitutional protections for the new revenues," and would be split evenly between state and local transportation priorities.

As was the case in September 2015, the Governor’s package focuses on maintenance and preservation, and also includes a significant investment in public transit. Specifically, the proposal includes annualized resources as follows:

- *Road Improvement Charge*—\$2 billion from a new \$65 fee on all vehicles, including hybrids and electrics;
- *Stabilize Gasoline Excise Tax*—\$500 million by setting the gasoline excise tax beginning in 2017-18 at the historical average of 18 cents, eliminating the current annual adjustments, and adjusting the tax annually for inflation;
- *Diesel Excise Tax*—\$500 million from an 11-cent increase in the diesel excise tax beginning in 2017-18, adjusted annually for inflation;
- *Cap and Trade*—\$500 million in additional Cap and Trade proceeds for complete streets and transit; and,
- *Caltrans Efficiencies*—\$100 million in cost-saving reforms.

Additionally, the Budget includes a General Fund commitment to transportation by accelerating \$879 million in loan repayments over the next four years. These funds would support additional investments in the Administration’s competitive Transit and Intercity Rail Capital Program, trade corridor improvements, and repairs on local roads and the state highway system.

The Frazier Plan

The day before Governor Brown released his budget, Assembly Member Jim Frazier (D-Oakley), Chair of the Assembly Transportation Committee, **announced a transportation funding package totaling almost \$7 billion in new investments in highways, local streets & roads, goods movement, and transit.** The bill, AB 1591, would invest in California’s transportation infrastructure by:

- Increasing the excise tax on gasoline by 22.5 cents per gallon (over \$3.3 billion annually) and indexing it against the Consumer Price Index every three years thereafter to be split 50/50 between the state and local transportation authorities for highway maintenance and rehabilitation, after a 5 percent set aside for aspiring counties.
- Increasing the diesel fuel tax by 30 cents a gallon (\$840 million annually), indexing it, and dedicating it to the Trade Corridors Improvement Fund (TCIF).
- Increasing the vehicle registration fee by \$38 annually (\$1.254 billion annually) and directing those funds to road maintenance and rehabilitation.
- Imposing an electric vehicle surcharge of \$165 (\$35 million annually) directed to road maintenance and rehabilitation.
- Requiring repayment of outstanding transportation loans (\$879 million one-time) directly to cities and counties for road maintenance.
- Allocating cap and trade revenue auctions, as follows:
 - 20% (approximately \$400 million annually) to the TCIF.
 - 10% (\$200 million annually) more for intercity rail and transit, for a total of 20% of the auction proceeds.
- Restoring the truck weight fees (\$1 billion annually for STIP, Local Streets and Roads, and the SHOPP).

We are tracking AB 1591 for the Board and will provide regular updates on the transportation funding discussion.

CTC Adopts New STIP Estimate

On January 20, the California Transportation Commission adopted a funding estimate for the State Transportation Improvement Program (STIP), used to add capacity/make improvements to the state highway system. As part of the Governor's January Budget release, the Department of Finance shared a revised estimate of 9.8 cents/gallon for the price-based excise tax on gasoline (currently set by the Board of Equalization (BOE) at 12 cents/gallon). The price-based excise tax on gasoline is currently the only source of revenue for the STIP and the new projection, if adopted by the BOE in March, would cut the revenue flowing to the STIP in half, down to approximately \$150 million annually. This estimate resulted in the CTC adopting a 5-year STIP fund estimate that, given the current level of programming in the STIP and the revenue expected to come in, reduced the capacity for projects by \$750 million. As a result, regional transportation agencies around the state, responsible for programming a portion of the projects in the STIP, would need to deprogram approximately \$565 million in projects, with the state deprogramming the rest. The impact of this on San Mateo County will be anywhere from \$10-\$31 million. **We are working to encourage the Legislature to act to remedy the action by both BOE and the CTC.**

Stormwater Initiative Submitted

On January 19, *The California Water Conservation, Flood Control and Stormwater Management Act of 2016* was filed with the Attorney General's Office for title and summary by the League of California Cities, the California State Association of Counties, and the Association of California Water Agencies. If enacted by the voters, the initiative would establish an alternative fee process for water, flood control, stormwater, and sewer services; allowing local agencies to impose fees for these services unless a majority of impacted property owners protest the fee. Once the initiative has been cleared by the Attorney General, the proponents may begin gathering signatures to qualify the initiative for the November 2016 General Election.

Special Session Bills

ABX1 1 (Alejo) Vehicle Weight Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill.**

SBX1 1 (Beall) Transportation Funding

This bill, like the author's SB 16, would increase several taxes and fees, beginning in 2015, to address issues of deferred maintenance on state highways and local streets and roads. Specifically, this bill would increase both the gasoline and diesel excise taxes by 12 and 22 cents, respectively; increase the vehicle registration fee by \$35; create a new \$100 vehicle registration fee applicable to zero-emission motor vehicles; create a new \$35 road access charge on each vehicle; and repay outstanding transportation loans. As a result, transportation funding would increase by approximately \$3-\$3.5 billion per year. **The Board is in SUPPORT of this bill.**

ABX1 7 (Nezarian) and SBX1 8 (Hill) Cap and Trade Increase for Rail and Transit

This bill would increase the amount of funding continuously appropriated to two Cap and Trade programs dedicated to transit - 20% of the annual proceeds to the Transit and Intercity Rail

Capital Program and 10% of the annual proceeds to the Low Carbon Transit Operations Program. **The Board is in SUPPORT of these bills.**

Regular Session Bills of Interest

(The Governor signed bills listed in green. Bills listed in red were vetoed.)

ACA 4 (Frazier) Lower-Voter Threshold for Transportation Taxes

This bill would lower voter approval requirements from two-thirds to 55 percent for the imposition of special taxes used to provide funding for transportation purposes. **The Board is in SUPPORT of this bill.**

AB 227 (Alejo) Vehicle Weight-Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill. This bill failed to meet the deadline for bills introduced in 2015.**

AB 378 (Mullin) US 101 Congestion Relief

This bill is a placeholder for legislation that will eventually target congestion relief on US 101. The author began meeting with stakeholder groups, including C/CAG, to discuss solutions to the US 101. This will be an ongoing effort and the bill may not move until next year. **This bill failed to meet the deadline for bills introduced in 2015.**

AB 516 (Mullin) Temporary License Plates

This bill would, beginning January 1, 2017, require the Department of Motor Vehicles (DMV) to develop a temporary license plate to be displayed on vehicles sold in California and creates new fees and penalties associated with the processing and display of the temporary tag. **The Board is in SUPPORT of this bill.**

AB 779 (Garcia) Congestion Management Programs

This bill would delete the level of service standards as an element of a congestion management program in infill opportunity zones and revise and recast the requirements for other elements of a congestion management program.

AB 1098 (Bloom) Congestion Management Plans

This bill would delete the level of service standards as an element of a congestion management planning and revise and recast the requirements for other elements of a congestion management program by requiring performance measures to include vehicle miles traveled, air emissions, and bicycle, transit, and pedestrian mode share. **This bill failed to meet the deadline for bills introduced in 2015.**

AB 1591 (Frazier) Transportation Funding

This bill would increase several taxes and fees beginning in 2016, to address issues of deferred maintenance on state highways and local streets and roads, freight corridor improvements, and transit and intercity rail needs. Specifically, this bill would increase both the gasoline and diesel excise taxes by 22.5 and 30 cents, respectively; increase the vehicle registration fee; dedicated additional shares of Cap and Trade revenues; redirect truck weight fees; and repay outstanding

transportation loans. As a result, transportation funding would increase by approximately \$7 billion per year. **We recommend the Board take a support position on this bill.**

SB 16 (Beall) Transportation Funding

This bill would increase several taxes and fees for the next five years, beginning in 2015, to address issues of deferred maintenance on state highways and local streets and roads. Specifically, this bill would increase both the gasoline and diesel excise taxes by 10 and 12 cents, respectively; increase the vehicle registration fee; increase the vehicle license fee; redirect truck weight fees; and repay outstanding transportation loans. As a result, transportation funding would increase by approximately \$3-\$3.5 billion per year. **The Board is in SUPPORT of this bill. *This bill failed to meet the deadline for bills introduced in 2015.***

SB 321 (Beall) Stabilization of Gasoline Excise Tax

The gas tax swap replaced the state sales tax on gasoline with an excise tax that was set at a level to capture the revenue that would have been produced by the sales tax. The excise tax is required to be adjusted annually by the BOE to ensure the excise tax and what would be produced by the sales tax remains revenue neutral. This bill would, for purposes of adjusting the state excise tax on gasoline, require the BOE to use a five-year average of the sales tax when calculating the adjustment to the excise tax. **The Board is in SUPPORT of this bill. *This bill failed to meet the deadline for bills introduced in 2015.***

	SB 1x1 (Beall) as of Aug 25, 2015	AB 1591 (Frazier) as of Jan 6, 2016	Governor's Proposal from Sep 6, 2015
Funding			
Gas Excise Tax Increase	12 cents (\$2b)	22.5 cents (\$3.5b)	None
Price-Based Excise Tax Adjustment Reset	17.3 cents (\$900m)	17.3 cents (\$900m)	18 cents (\$900m) ¹
- <i>CPI adjustment</i>	<i>Every 3 years</i>	<i>Every 3 years</i>	<i>Every year</i>
Diesel Excise Tax Increase	22 cents (\$600m)	30 cents (\$800m)	11 cents (\$300m)
- <i>CPI adjustment</i>	<i>Every 3 years</i>	<i>Every 3 years</i>	<i>Every year</i>
Vehicle Registration Fee Increase	\$35 (\$1b)	\$38 (\$1b)	None
Road Access Fee/Highway User Fee	\$35 (\$1b)	None	\$65 (\$2b)
ZEV-specific Fee	\$100 (\$25m)	\$165 (\$35m)	None
- <i>Total Vehicle Fee Increase</i>	<i>\$70 (\$170 for ZEVs)</i>	<i>\$38 (\$203 for ZEVs)</i>	<i>\$65</i>
Greenhouse Gas Reduction Fund (Cap & Trade)	None	TIRCP ² from 10% to 20% (\$200m) TCIF – 20% (\$400m)	TIRCP - \$400m Complete Streets - \$100m
Weight Fees	None	Returned immediately ³	None
General Fund Loan Repayments	Over 3 yrs, to RMRA ⁴	Over 2 yrs, directly to locals	By 6/30/19, to various accts
Caltrans Efficiencies	Up to 30% (\$500m)	None	\$100m
Estimated Total Annual Funding Increase⁵	~ \$6 billion	~ \$7 billion	~ \$3.7 billion

¹ The Governor's proposal doesn't reset the price-based excise tax until the 2017-18 fiscal year.

² Transit and Intercity Rail Capital Program, a competitive grant program administered by the Transportation Agency.

³ The weight fees would not be transferred from the State Highway Account and instead be available for traditional uses including SHOPP, STIP, and local roads through existing formulas. Therefore they are not included in the Estimated Total Annual Funding Increase, but would result in roughly \$1 billion more funding.

⁴ The Road Maintenance and Rehabilitation Account, created in SB 1x1.

⁵ Roughly estimated, annualized over ten years. Figures may not add up due to rounding.

	SB 1x1 (Beall) as of Aug 25, 2015	AB 1591 (Frazier) as of Jan 6, 2016	Governor's Proposal from Sep 6, 2015
Expenditures			
Gas Excise Tax Increase	RMRA	RMRA	-
Diesel Excise Tax Increase	10 cents to RMRA 12 cents to TCIF	All to TCIF	RMRA
CPI Adjustment Revenues	To the respective programs	To the respective programs	RMRA
Vehicle Fee Increases	RMRA	RMRA	RMRA
Greenhouse Gas Reduction Fund (Cap & Trade)	-	\$200m to rail and transit \$400m to TCIF	\$400m to rail and transit \$100m to complete streets
General Fund Loan Repayments	RMRA	Cities and Counties	Various accounts
Total Annual Expenditures on:			
Road Rehab and Maintenance	\$5.5 billion	\$5.8 billion	\$2.9 billion
Freight Mobility	\$500 million	\$1.2 billion	\$200 million
Rail and Transit or Complete Streets	-	\$200 million	\$500 million
Expenditure Split Between State/Local Needs	52% state/48% percent local	55% state/45% percent local	50% state/50% percent local
Accountability and Reforms			
Reporting to the Commission	Both Caltrans and the locals report to the Commission on the efficacy of expenditures from the RMRA	-	Both Caltrans and the locals report to the Commission on the efficacy of expenditures from the RMRA
Local Maintenance of Effort Requirements	Included	Included	Included
Commission Allocation of SHOPP Support Costs	Requires by Feb 2017	Requires by Feb 2017	-
COS State Staff vs. Contract Staff	-	-	80%/20% by Jul 2020
CM/GC Project Delivery	-	-	Expands authority for Caltrans from 6 to 12 projects
Public Private Partnerships Project Delivery	-	-	Extends sunset from 2017 to 2027
CEQA Exemption	-	-	Exempts projects in existing rights of way in certain circumstances
NEPA Delegation	-	-	Eliminates the sunset
Regional Advance Mitigation Program	-	-	Included

LUCETTA DUNN, Chair
BOB ALVARADO, Vice Chair
DARIUS ASSEMI
YVONNE B. BURKE
JAMES EARP
JAMES C. GHIELMETTI
CARL GUARDINO
FRAN INMAN
CHRISTINE KEHOE
JAMES MADAFFER
JOSEPH TAVAGLIONE

STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR JIM BEALL, Ex Officio
ASSEMBLY MEMBER JIM FRAZIER, Ex Officio

Will Kempton, Executive Director

CALIFORNIA TRANSPORTATION COMMISSION

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State Transportation Funding Crisis Continues to Worsen

January 27, 2016

Members, California State Legislature:

This letter is to inform you of recent actions by the California Transportation Commission (Commission) that will reduce funding for state transportation projects by three-quarters of a billion dollars over the next five years. On top of an already significant shortfall in funding for repairs to our existing system, the Commission recently approved a reduced estimate of \$754 million to the funds expected to be available over the five-year State Transportation Improvement Program (STIP) period. This means that in addition to no new projects for the upcoming STIP, programmed projects must be deleted or delayed. The effect of this reduction on the state's transportation system will be nothing short of catastrophic. Attached is a list of those projects that may be delayed or removed from the new STIP in each legislative district.

The Commission strongly urges legislators to work together to develop a compromise that will result in a significant down payment on our transportation infrastructure needs and provide for meaningful reforms to the state's transportation program. Failure to act and to act quickly will have serious consequences for the future of California.

Sincerely,

LUCETTA DUNN
Chair

BOB ALVARADO
Vice Chair

DARIUS ASSEMI
Member

YVONNE B. BURKE
Member

JAMES EARP
Member

JAMES C. GHIELMETTI
Member

CARL GUARDINO
Member

FRAN INMAN
Member

CHRISTINE KEHOE
Member

JAMES MADAFFER
Member

JOSEPH TAVAGLIONE
Member

c: Brian Kelly, Secretary, California State Transportation Agency
Malcolm Dougherty, Director, California Department of Transportation
Executive Directors, Metropolitan Planning Organizations
Executive Directors, Regional Transportation Planning Agencies
Matt Cate, Executive Director, California State Association of Counties
Chris McKenzie, Executive Director, League of California Cities

CALIFORNIA TRANSPORTATION COMMISSION
State Transportation Improvement Program (STIP)
Projects at Risk for STIP Deletion or Delay

County	Route	Project Title		Total		
				Programmed (\$ thousands)	Assembly District(s)	Senate District(s)
Alameda	rail	Daly City BART Station Intermodal Improvements	*	200	19	11
Alameda	84	East-West Connector in Fremont	*	12,000	20	10
Alameda/Contra Costa	680	Freeway Performance Initiative, Phase 2	*	4,000	20,27	10,15
Alameda/Contra Costa	rail	BART Station Modernization Program	*	16,726	15,16	7,9
Alameda/Santa Clara	rail	Oakland to San Jose Double Track, Segment 2A	*	7,000	18,20, 27,28	9,10,15
Alpine	loc	Hot Springs Creek Bridge Replacement		265	71	38
Alpine	loc	Hot Springs Road Reconstruction		340	71	38
Amador	88	Pine Grove Improvements	*	3,951	5	8
Butte	loc	Midway Bridges Across Butte Creek, Replacement	*	1,499	3	4
Butte	70	Passing Lanes, Cox-Palermo, Segment 2	*	3,000	3	4
Butte	70	Passing Lanes, Palermo-Ophir, Segment 1	*	22,400	3	4
Calaveras	4	Wagon Trail Expressway	*	5,235	5	8
Calaveras	4	Wagon Trail Expressway (Programmed in Alpine)		1,400	5	8
Colusa	loc	Citywide, Various Locations, Rehabilitation and Pedestrian Safety		700	3,4	4
Contra Costa	rail	Walnut Creek BART TOD Intermodal Project	*	5,300	16	7
Contra Costa	rail	Hercules Railroad Station Building	*	5,100	15	9
Contra Costa	80	Central Ave Interchange, Phase 2 (Local Road Realign.)	*	2,000	15	9
Contra Costa	loc	Kirker Pass Rd, North Bound Truck Climbing Lane	*	2,650	14	7
Contra Costa	680	Southbound HOV Gap Closure, N Main-Livorna Road	*	15,557	16	7
Contra Costa	80	San Pablo Dam Road Interchange, Phase 2	*	9,200	15	9
Contra Costa	680	Route 4 Interchange, Widen Route 4, Phase 3	*	36,610	14	7
El Dorado	50	W Placerville Interchanges, Ray Lawyer Dr Interchange, Phase 2	*	5,542	7	1
Fresno	41	Excelsior Expressway, Widen to 4 Lanes	*	2,142	31	14
Fresno	180	New freeway, Segment 3: Smith Ave-Frankwood Ave	*	49,400	23	8,14
Glenn	loc	Lassen Street, Sycamore-Wood St, Reconstruction		503	3	4
Glenn	loc	County Roads 306-200-305, Rehabilitation		1,050	3	4
Glenn	loc	Sixth Street, South City Limit-North City Limit, Rehab.		350	3	4
Glenn	loc	Tehama Street, UPRR-Woodward Ave, Reconstruct		750	3	4
Glenn	loc	Road M 1/2, Route 32-Bryant Street, Reconstruct		630	3	4
Humboldt	101	Eureka-Arcata Corridor Improvement		30,000	2	2
Humboldt	loc	Highland and Koster Rehabilitation		400	2	2
Humboldt	loc	Hawthorne, Felt & 14th Street Rehabilitation		400	2	2
Humboldt	101	Eureka-Arcata Corridor-Mitigation		3,000	2	2
Imperial	8	Imperial Avenue Interchange, Reconstruct	*	33,650	56	40
Inyo	395	Olancho-Cartago 4-Lane Expressway		88,500	26	8
Inyo	loc	Seibu Lane, Paiute Reservation-Schools, Bike Path		480	26	8
Inyo	395	Olancho-Cartago Archaeological Pre-Mitigation		5,000	26	8
Kern	58	Westside Parkway Connector	*	33,001	34	16
Kern	46	Widen to 4 Lanes, Segment 4A, Lost Hill Rd-East of I-5	*	4,100	32	16
Kern	14	Kern, Freeman Gulch Widening, Segment 1	*	31,088	34	16
Kern	14	Kern, Freeman Gulch Widening, Segment 2	*	7,610	34	16
Kings	198	12th Avenue Interchange, Hanford, Landscaping		1,376	32	14
Lake	29	Widen to 4 Lanes, Segment 2C	*	24,027	4	2
Lake	loc	Lakeport Blvd at S. Main St, Improve Intersection	*	194	4	2
Lake	loc	S. Main Street, Lakeport-Route 175, Widen, Bike Lane	*	4,369	4	2
Lake	loc	Soda Bay Road, Route 175-Manning Creek, Widen, Bike Lane		662	4	2
Lassen	loc	County Rehab B (Pumpkin Center, Ash Valley Roads)	*	1,950	1	1

County	Route	Project Title		Total		
				Programmed (\$ thousands)	Assembly District(s)	Senate District(s)
Lassen	loc	City Street Rehabilitation		1,846	1	1
Lassen	loc	City Street Rehabilitation		955	1	1
Lassen	loc	City Street Rehabilitation		956	1	1
Lassen	loc	City Street Rehabilitation		2,320	1	1
Lassen	loc	Beaver Creek Bridge #7C-82 (Hwy Bridge Program Match), Replace	*	254	1	1
Lassen	loc	Center Road, Route 395-Johnstonville Road, Reconstruct		2,890	1	1
Lassen	loc	New Main Street-Johnstonville Road Connection		100	1	1
Lassen	loc	Skyline Road East/Extension, Phase 2		3,900	1	1
Los Angeles	gsep	Burbank Airport/Rail Station Pedestrian Grade Separation	*	7,000	43	25
Los Angeles	rail	Light Rail Vehicles	*	102,400	41,48,49, 51,53,54, 59,62,63, 64,70	22,24,25, 26,30,32, 33,35
Los Angeles	138	Widening Segment 6, 87th Street E-96th Street E	*	13,700	36	21
Los Angeles	138	Widening Segment 13, 190th Street E-Route 18	*	41,900	36	21
Madera	99	Madera, Ave 12-Ave 17, Widen to 6 Lanes	*	5,845	5	12
Madera	99	South of Madera, Ave 7-Ave 12, Widen to 6 Lanes	*	3,000	5	12
Marin	loc	Parkade Area Circulation Improvements		255	10	2
Mariposa	loc	Silva Road, Post Miles 10-11.092, Rehabilitation		531	5	8
Mariposa	loc	Triangle Road, Post Miles 11.8-14.11, Rehabilitation		838	5	8
Mariposa	loc	Merced Falls Road, Post Miles 10.00-12.50, Rehab., Phase 1		912	5	8
Mariposa	loc	Ben Hur Road, Post Miles 15.00-18.50, Reconstruction		1,115	5	8
Mendocino	loc	Laytonville, Branscomb Road, Multi-Use Bridge		385	2	2
Mendocino	bus	Revenue Vehicle Replacements, Six (6)	*	88	2	2
Mendocino	loc	Gobbi Street/Waugh Lane Intersection, Traffic Signal		532	2	2
Mendocino	loc	Low Gap Road/N. Bush Street Intersection, Roundabout		703	2	2
Mendocino	loc	Ukiah Downtown Streetscape Improvements, Phase 1		1,155	2	2
Mendocino	101	N. State St Interchange Improvements, Roundabout, Phase 1		468	2	2
Mendocino	1	(Main St) Bike & Pedestrian Access Improvements		1,485	2	2
Mendocino	101	Willits Bypass Relinquishment	*	3,442	2	2
Mendocino	101	Sherwood Road-Geometric Upgrade	*	3,500	2	2
Mendocino	loc	East Side Potter Valley Road, Rehabilitation, Phase 1	*	3,150	2	2
Merced	99	Livingston 6-Lane Widening, Northbound and Southbound	*	2,070	21	12
Merced	99	Livingston 6-Lane Widening, Southbound		34,250	21	12
Modoc	loc	County Road 55, Route 395-County Road 247A, Rehab.	*	75	1	1
Modoc	loc	Pedestrian Improvements Alturas Central Business District		942	1	1
Modoc	loc	Oak and Juniper Streets, From Route 299 to 19th Street, Rehab.		890	1	1
Modoc	loc	County Road 87, in Adin, Route 299-County Road 91, Rehab.		632	1	1
Modoc	loc	County Road 111, Route 139-County Road 108, Rehab.		687	1	1
Modoc	loc	Alturas, on East Street, Modoc Street-4th street, Rehab.		962	1	1
Modoc	loc	County Road 114, Route 139-County Road 101, Rehab.		407	1	1
Modoc	loc	County Road 272, Lassen-Modoc Co Line to Day Road, Rehab.		196	1	1
Mono	loc	Meridian Roundabout and Signal Relocation		2,610	5	8
Mono	203	(W Minaret Rd), Sidewalk & Safety		575	5	8
Mono	loc	Airport Road, Rehabilitation		1,273	5	8
Mono	loc	Countywide Preventive Maintenance Program		1,100	5	8
Monterey	rail	Capitol Corridor Extension - Kick Start	*	18,856	29,30	12,17
Monterey	1	Operational Improvements, Carmel	*	3,000	29,30	12,17
Monterey	rail	Coast Daylight/Caltrain Track Improvements	*	300	29,30	12,17
Monterey	bus	Monterey Salinas Transit Buses		2,000	29,30	12,17
Monterey	loc	Imjin Road Widening to 4 Lanes	*	1,650	29,30	12,17

County	Route	Project Title	*	Total		
				Programmed (\$ thousands)	Assembly District(s)	Senate District(s)
Monterey	101	South County Frontage Roads	*	5,000	29,30	12,17
Monterey	68	Corral de Tierra Intersection	*	1,700	29,30	12,17
Monterey	156	4-Lane Expressway, Castroville-Prunedale	*	28,000	29,30	12,17
Napa	loc	Devlin Road & Vine Trail Extension	*	1,665	4	3
Napa	loc	Eucalyptus Drive Extension	*	1,154	4	3
Napa	loc	California Avenue Roundabouts	*	1,070	4	3
Napa	128	Petrified Forest Road Intersection Improvements	*	475	4	3
Napa	loc	Hopper Creek Pedestrian Path, Oak Circle-Mission		500	4	3
Napa	loc	Airport Boulevard Rehabilitation	*	1,332	4	3
Nevada	49	La Barr-McKnight Widening	*	3,000	1	4
Orange	rail	Passing Siding, Laguna Niguel-San Juan Capistrano	*	3,000	73	36
Orange	5	Widening, Segment 1, Route 73-Oso Parkway	*	78,949	73	36
Orange	5	HOV Lane Buffer Removal/Continuous Access, Route 57-Route 91	*	3,600	65,69	29,32,34
Orange	57	Lambert Road Interchange Improvements	*	22,100	55	29
Orange	405	Auxiliary Lane Southbound, University-Route 133	*	15,851	74	37
Orange	5	HOV Lanes, Route 55-Route 57	*	36,262	69	34
Placer	rail	Sacramento-Roseville Track Improvements	*	3,000	6	1,4
Plumas	loc	Graeagle-Johnsonville Road Reconstruction		2,327	1	1
Plumas	loc	North Loop, Phase 1		2,581	1	1
Riverside	loc	CV Link, Palm Springs-Coachella, Multi-Use Path, Phase 1	*	2,000	42,56	28
Riverside	15	French Valley Parkway Interchange	*	41,545	75	28
Riverside	60	Truck Climb/Descend Lanes with Shoulders	*	31,555	42,61	23,31
Riverside	215	Southbound Connector (SHOPP)	*	8,975	67	24
Sacramento	loc	Grant Line Road, Waterman-Mosher, Widen, Signals	*	3,800	9	6
Sacramento	loc	ITS Master Plan, Phase 4 Implementation	*	2,312	9	6
Sacramento	loc	Green Valley Road, E. Natoma-Sophia, Widen, Bike	*	3,000	6,7	1
Sacramento	loc	Zinfandel Drive, Olson Dr-White Rock Rd, Improvements	*	700	8	4
Sacramento	loc	14th Avenue Extension, Power Inn-Florin Perkins	*	4,008	7	6
Sacramento	loc	Hazel Avenue, Sunset-Madison, Widen, Signals	*	7,000	6	1
Sacramento	loc	Old Town Florin Streetscape Improvements, Phase 2	*	3,328	9	6
Sacramento	5	HOV Lanes/Soundwalls, Route 50-Laguna Blvd, Phase 1	*	2,000	7,9	6
Sacramento	bus	39 CNG Replacement Buses, Spare Parts	*	18,500	7,8,9	1,4,6
Sacramento	loc	Laguna Creek Trail - North Camden Spur	*	500	8	6
Sacramento	51	Northbound Transition Lane, E Street-Elvas, Close E Street Onramp	*	900	7	6
Sacramento	51	Ramp Meters at Various Locations on Routes 51, 80, 99		11,500	7	6
San Benito	156	4-Lane Expressway, San Juan Bautista	*	38,881	30	12
San Bernardino	10	HOV Lanes Haven Avenue-Ford Street	*	39,745	31,35	20,23
San Bernardino	210	Highland Avenue-San Bernardino Avenue, Widen	*	25,000	40	23
San Bernardino	58	4-Lane Expressway, Kramer Junction, Phase 1	*	155,095	34	18
San Bernardino	215	Mt Vernon/Washington Street Interchange Improvement	*	38,523	47	20
San Bernardino	215	Barton Interchange Reconstruction	*	22,611	47	20
San Diego	rail	Del Mar Bluffs Stabilization	*	2,000	78	39
San Diego	5	Soundwalls, Manchester Avenue-Route 78	*	36,000	76	36
San Diego	5	HOV Extension, Manchester Avenue-Route 78	*	49,000	76	36
San Francisco	loc	Chinatown Broadway Complete Streets, Phase 4		1,910	17	11
San Joaquin	99	Turner Road Interchange Operational Improvements	*	3,061	9	5
San Joaquin	120	McKinley Avenue, New Interchange	*	12,300	12	5
San Joaquin	loc	Stockton Avenue, 2nd Street-Doak Blvd, Widen	*	1,000	12	5
San Joaquin	rail	Stockton to Escalon Double Track, Segment 4	*	23,000	12,13	5
San Luis Obispo	101/46	Interchange Improvements, Phase 3 Roundabouts	*	1,100	35	17
San Luis Obispo	46	Cholame, Convert to 4-Lane Expressway		55,200	35	17

County	Route	Project Title	*	Total		
				Programmed (\$ thousands)	Assembly District(s)	Senate District(s)
San Luis Obispo	46	Wye, Convert to 4-Lane Expressway	*	19,100	35	17
San Luis Obispo	101	Brisco Road Interchange Improvements/Auxiliary Lane	*	6,624	35	17
San Mateo	loc	Countywide ITS Improvements		4,298	19,22,24	11,13
San Mateo	1	Operational Improvements, Pacifica, Calera Parkway, Phase 1	*	6,900	22	13
San Mateo	loc	El Camino Real Grand Boulevard Initiative	*	1,991	19	13
San Mateo	92/82	Interchange Improvements	*	5,000	22	13
San Mateo	92	Route 101 Interchange Improvements	*	23,839	22	13
San Mateo	101	Willow Road Interchange Reconstruction, Phase 1	*	17,399	24	13
<i>Santa Barbara</i>	<i>rail</i>	<i>Siding Upgrade and Extension</i>	<i>*</i>	<i>12,450</i>	<i>37</i>	<i>19</i>
Santa Barbara	217	Fowler and Ekwil Streets Extensions	*	11,372	37	19
Santa Barbara	101	Carpenteria Creek-Sycamore Creek, Widen	*	15,890	37	19
Santa Barbara	246	East of Lompoc, Widen, Landscaping	*	390	37	19
Santa Clara	101	Adobe Creek Bike/Pedestrian Bridge	*	4,350	24	13
Santa Clara	rail	BART Extension, Berryessa - Santa Clara	*	14,672	25,27,28	10,15
Santa Clara	680	Soundwall, Capitol - Mueller		4,361	25,27	10,15
Santa Cruz	1	Harkins Slough Road Interchange	*	7,340	30	17
Santa Cruz	1	Freeway Service Patrol	*	150	29	17
Santa Cruz	1	Mar Vista Bike/Pedestrian Overcrossing	*	6,064	29	17
Santa Cruz	loc	Monterey Bay Sanctuary Scenic Trail, Segment 7	*	805	29	17
Santa Cruz	loc	Monterey Bay Sanctuary Scenic Trail, Segment 18	*	950	30	17
Santa Cruz	loc	Airport Boulevard Improvements	*	1,195	30	17
Santa Cruz	loc	Cassery Road Bridge Replacement	*	125	29,30	17
Santa Cruz	1/9	Intersection Modifications	*	1,329	29	17
Santa Cruz	1	41st-Soquel Auxiliary Lanes, Bike/Pedestrian Bridge	*	4,000	29	17
Shasta	loc	Browning Street, Canby Road-Churn Creek Road, Complete Street	*	275	1	1
Shasta	loc	Sacramento River Trail to Downtown, Multiple Street Pedestrian Improv.	*	400	1	1
Shasta	5	Redding-Anderson, Knighton-Churn Creek Overcrossing, 6-Lanes		12,122	1	1
Sierra	loc	Smithneck Creek Road Rehabilitation		500	1	1
Sierra	89	Truck Pull-Outs	*	750	1	1
Sierra	loc	Smithneck Creek Bike Path		500	1	1
Siskiyou	loc	South Oregon Street, Lawrence-4H Way		867	1	1
Siskiyou	loc	Oregon Street, Miner Street-North End, Rehabilitation		597	1	1
Siskiyou	loc	Lincoln Road, Union Avenue, Angel Valley Road, Rehab.		785	1	1
Siskiyou	loc	Rehabilitate 6th & Ridgeview		497	1	1
Siskiyou	loc	Vista Drive Rehabilitation		1,795	1	1
Siskiyou	loc	Ream Avenue Rehabilitation		242	1	1
Siskiyou	loc	South 9th Street Rehabilitation		340	1	1
Siskiyou	loc	Overlay & Rehabilitation of Various Streets		812	1	1
Siskiyou	loc	Big Springs Road Rehabilitation, Phase 1		2,700	1	1
<i>Siskiyou</i>	<i>loc</i>	<i>Dunsmuir Road Rehabilitation</i>		<i>188</i>	<i>1</i>	<i>1</i>
Siskiyou	loc	California Street Rehabilitation		130	1	1
Siskiyou	loc	Howell Avenue Rehabilitation		370	1	1
Siskiyou	loc	Matthews & Carlock Streets Pedestrian Improvements		376	1	1
Siskiyou	loc	Mount Shasta Boulevard Rehabilitation		184	1	1
Siskiyou	loc	Ager Road Rehabilitation		1,650	1	1
Solano	loc	Jepson Parkway, Leisure Town Road, Commerce-Orange		9,360	11	3
Stanislaus	132	4-Lane Expressway, Dakota Ave-Route 99, Phase 1A	*	9,641	21	12
Stanislaus	108	Widen McHenry Avenue, Route 108-McHenry Bridge	*	4,100	12	5
Stanislaus	99	Pelandale Avenue Interchange Reconstruction	*	4,336	12	5
Sutter	loc	Replace 5th Street Feather River Bridge, Improve Approaches	*	17,415	3	4
Tehama	loc	Kirkwood Road Bridge, Jewett Creek	*	265	3	4

County	Route	Project Title		Total		
				Programmed (\$ thousands)	Assembly District(s)	Senate District(s)
Tehama	loc	Baker Road at Brickyard Creek Bridge	*	130	3	4
Tehama	99	Los Molinos Enhancements, Phase 3		1,200	3	4
Tehama	loc	99W, Glenn County Line to City of Corning		3,055	3	4
Tehama	loc	99W, Gyle to South Main at I-5 Overcross		2,950	3	4
Tehama	99	Grant Street, Route 99-Baily Rd, Los Molinos Enhancements, Phase 3		1,200	3	4
Trinity	loc	Wildwood Road Reconstruction, Segment 1	*	60	2	4
Trinity	loc	Lewiston Road No. 202, Postmiles 4.8-5.84, Rehabilitation		400	2	4
Trinity	299	Weaverville, Route 299-Coffee Creek, Turnouts	*	850	2	4
Trinity	loc	Lewiston Road Bike/Pedestrian Lane	*	331	2	4
Tulare	65	Align Road 204, Route 65-Route 198, 4 Lanes	*	1,557	23	14,16
Tulare	99	Tulare, 6-lane Freeway, Prosperity Ave Interchange-Ave 200	*	4,000	23	16
Tulare	99	Tagus 6-Lane Southbound Widening		49,000	23	16
Tulare	99	Tagus 6-Lane Northbound Widening	*	10,250	23	16
Tuolumne	loc	Mono Way Operational Improvements	*	1,536	25	14
Tuolumne	108	Peaceful Oaks Road Interchange Ramps		8,311	25	14
Various	rail	Capitalized Maintenance (Capitol Corridor)		3,000		
Various	rail	Capitalized Maintenance (San Joaquin Corridor)		2,000		
Various	rail	Capitalized Maintenance (Surfliner)		2,000		
Various-MTC Region	80	Improved Bike/Ped Access to San Francisco Bay Bridge East Span	*	15,000	18	9
Ventura	rail	Seacliff Siding Upgrade and Extension		7,870	37	19
<i>Ventura</i>	<i>118</i>	<i>Widening, Los Angeles Avenue-Tapo Canyon Road</i>		<i>3,000</i>	<i>38,44</i>	<i>27</i>
<i>Ventura</i>	<i>101</i>	<i>HOV lanes, Moorpark Road to Route 33</i>		<i>14,000</i>	<i>37,44</i>	<i>19,27</i>
Yolo	loc	Village Pkwy Extension, Stonegate-Pioneer Bluff bridge	*	2,500	4,7	3,6
Yolo	loc	Mace Blvd Complete Street, Blue Oak-Cowell Blvd	*	1,912	4,7	3,6
Yolo	loc	Third Street Improvements, A Street -B Street	*	3,292	4,7	3,6
Yolo	loc	East Main Street Improvements, East St-Pioneer Ave	*	580	4,7	3,6
Yuba	loc	Olivehurst Avenue Roundabout at Powerline/Chesnut	*	717	3	4
<i>Yuba</i>	<i>loc</i>	<i>Powerline Road Safe Route to School, 9th-15th, Phase 2</i>	<i>*</i>	<i>500</i>	<i>3</i>	<i>4</i>
Total				2,004,014		

NOTES:

1. This list represents all STIP projects programmed in fiscal years 2016/17 through 2018/19 except Planning, Programming & Monitoring, and AB 3090 Reimbursement projects.
2. Projects in italics were proposed to be deleted from the STIP in the RTIPs and ITIP submitted to the Commission by December 15, 2015.
3. Route acronyms:
number = state highway
loc = local road
gsep = rail grade separation
rail = heavy or light rail project
bus = bus transit

* These projects leverage other funds.

Background Attachment:

The California Transportation Commission has a statutory responsibility to advise the Legislature on transportation policy matters. In our 2015 Annual Report, our primary recommendation to the Legislature was to approve additional funding to support the state's transportation program. This communication serves as a supplement to provide a clear and stark reminder of the magnitude of the program's funding shortfall and the urgent need to respond to this critical problem.

As stated previously, California faces a transportation funding crisis of significant and increasing proportions. We have underinvested in our transportation infrastructure for the past several decades and have failed to fund needed repairs to an aging and failing system that we rely on to move people and goods in this state. Further, we have little capacity to pay for necessary road, transit and rail improvements to meet the demands of a growing population and an expanding economy.

In his inaugural address last year, Governor Brown called attention to this problem and challenged the Legislature to respond. A number of bills were introduced in 2015 but little progress was made in moving this legislation. Over the summer, the Governor convened a special session for the purpose of resolving the issue, and, in late August, he proposed a plan of his own. The plan, subsequently incorporated into his 2016-17 budget proposal, includes new revenue and several reform measures sought by members of the Legislature. Over the fall, Legislative Leadership appointed a conference committee to consider solutions for addressing the funding shortfall.

Currently, there are two comprehensive bills pending in the Legislature (SB 1x1 by Senator Beall and AB 1591 by Assembly Member Frazier) along with the Governor's budget proposal. Each of these measures would provide more revenue and implement serious program reforms. The Governor and legislative authors are seeking a compromise for their proposals that can be supported by enough members to gain approval of a package that begins to address the state's crumbling transportation infrastructure.

While these proposals are appropriately focused on repairing our failing transportation facilities, the programmatic vehicle used to fund other state transportation projects is broken. The Commission previously advised you of the annual gas tax swap adjustment and how it affects the State Transportation Improvement Program (STIP, for short). The requirement for yearly adjustments created by the swap seriously exacerbates the funding picture by reducing transportation revenue at a time when we need to increase investment in our mobility system.

As the Commission considers the upcoming five-year STIP for 2016, the effect of this swap mechanism on a portion of the existing gas tax has been nothing short of catastrophic. As a result of reduced revenue due to the swap, a whopping \$876 million in 2015 alone, the 2016 Fund Estimate adopted by the CTC in August included virtually no money for new projects in the updated program. Now, the Department of Finance is estimating a further reduction in the excise tax for the coming year and that has prompted Caltrans to prepare a revised fund estimate reflecting the additional decline in revenue. The Commission adopted these revisions at its January meeting.

The revised estimate shows a negative programming capacity of more than \$750 million over the five-year STIP period. This means that in addition to no new projects for the upcoming STIP, existing projects already programmed must be deleted. To put this into context, the 2014 STIP included \$4.7 billion in programmed projects. The 2016 STIP will likely include only \$3.2 billion or less in programmed projects, and, in addition to deleting planned projects, it will be necessary to move many projects into the outer years of the five-year plan. The attached is a list of those projects that may be delayed or removed from the new STIP.

All three of the funding proposals before the Legislature include provisions to remedy the impact of the yearly swap adjustment on transportation funding, and the Commission supports any reform and revenue measure that will responsibly address the serious problems identified in this letter. We also recognize the difficult challenges facing the Legislature in coming to agreement on these issues and appreciate the efforts being expended by all parties to identify possible solutions to this enormous problem. While we will provide whatever assistance we can to support you in this task, we strongly urge legislators to work together to develop a compromise that will result in a significant down payment on our transportation infrastructure needs and provide for meaningful reforms to the state's transportation program. Failure to act and to act quickly will have serious consequences for the future of California.

Thank you for your urgent consideration of this important matter.

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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February 11, 2016

The Honorable Jim Beall
Chair, Senate Transportation and Housing
Committee
State Capitol, Room 2209
Sacramento, CA 95814

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

RE: **2016 STIP Fund Estimate**

Dear Chairs Beall and Frazier:

The San Mateo County City/County Association of Governments (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is writing to urge a legislative solution to the reduction in State Transportation Improvement Program (STIP) funding caused by recent adjustments to the price-based excise tax mandated by state law as a result of the 2010-11 gas tax swap. In addition to the STIP, cities and counties, as well as the State Highway Operation and Protection Program (SHOPP) are negatively impacted by the adjustment. This problem is only exacerbated by the continued redirection of truck weight fees to offset the cost of debt-service on transportation bonds.

As you are both aware, in March 2015, the State Board of Equalization (BOE) - responding to declining oil prices and lower fuel costs - adjusted the price-based excise tax on gasoline downward from 18 cents to 12 cents as required by state law. This adjustment resulted in the loss of \$350 million in STIP funding in 2015-16, and \$800 million in transportation funding overall. As oil prices continue to remain at the lowest levels the state has seen in years, it is presumed BOE is poised to take another action in March 2016 to further lower the price-based excise tax to 9.8 cents per gallon, which would further reduce the STIP by another \$150 million in 2016-17. The pending BOE action caused the California Transportation Commission, at its January 21 meeting, to adopt a 2016 STIP fund estimate acknowledging a programming capacity of negative \$750 million over the next five years. The CTC's action has triggered a need for regional and county-level transportation agencies to remove projects already programmed in the STIP, of which the impact to San Mateo County will be between \$10-\$31 million. Additionally, as mentioned above, the annual adjustment also has a similar effect on transportation dollars flowing directly to cities and counties for road maintenance. Cities and counties stand to lose an estimated \$150 million if the BOE again lowers the price-based excise tax.

As our state's existing transportation funding sources continue to diminish, we strongly encourage the Legislature to act quickly and remedy the negative impacts caused by the statutorily required adjustments to the STIP. We also ask that you remain steadfast in your

efforts to find new funding sources to address California's critical backlog of highway and road maintenance needs, as well as provide new funding for additional capacity in congested corridors, freight improvements, and alternative modes of transportation.

I thank both of you very much for your attention to this matter and C/CAG is happy to help in any way we can. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Governor Jerry Brown
Secretary Brian Kelly
Senator Jerry Hill
Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting

C/CAG

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February 11, 2016

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

RE: **SUPPORT** for AB 1591 (Frazier)

Dear Assembly Member Frazier:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of AB 1591. This bill would establish a multi-faceted transportation funding package, resulting in an approximately \$7 billion annual increase in transportation funding.

San Mateo County faces significant funding shortfalls to maintain our local streets & roads and improve the state highway system in our county. To fully address our local street and road funding shortfall, San Mateo County would need almost \$1.6 billion over the next 10 years. This bill, through a combination of fuel taxes, vehicle registration fees, Cap and Trade revenues, and revenue protections, would provide billions of dollars over that same timeframe to cities and counties and reestablish the state transportation improvement program (STIP). Of the new revenue generated, 47.5 percent would be distributed to cities and counties and substantial investments would be made in our state highways, in goods movement, and in transit. Additionally, this bill prevents the future borrowing of truck weight fees and eliminates the annual adjustments to the swap-based excise tax on gasoline.

We **SUPPORT** AB 1591 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill

C/CAG AGENDA REPORT

Date: February 11, 2016
To: C/CAG Legislative Committee
From: Sandy Wong, Executive Director
Subject: Discussion of “Lobby Day” and “Lobby Day” Topics
(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Legislative have a discussion regarding “Lobby Day” and “Lobby Day” topics

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

NA.

BACKGROUND

The Legislative Committee would like to plan a Lobby Day to meet delegates in Sacramento and voice concerns regarding issues of importance to C/CAG.

Attached is a poll of availability for the proposed Lobby Day as well as proposed talking points and issues to raise up with Sacramento delegates.

ATTACHMENTS

1. Doodle Poll for Lobby Day
2. Initial draft of Lobby Day topics/ talking points

Poll "2016 C/CAG Lobby Day"

<http://doodle.com/poll/x7wi8xkkx8rg6q39>

		April 2016			
		Mon 4	Tue 5	Mon 11	Tue 12
Rich Garbarino			OK		
Matt Fabry		OK	OK	OK	OK
Deborah		OK			
Sandy Wong		OK	OK	OK	OK
Irene		OK	OK	OK	OK
Alicia Aguirre		OK			
Catherine Carlton					OK
Mary Ann				OK	OK
Matt Robinson		OK	OK	OK	OK
Karen Ervin		OK		OK	
Count		7	5	6	6

Talking Points

C/CAG Sacramento Visit – XXX X, 2016

San Mateo County Transportation Funding Needs:

- *Local Streets and Roads and Highways*
 - \$3 bil is needed for Local Street and Roads over the next 24 years to maintain roadways in San Mateo County to a state of good repair. Equates roughly to a low-to-mid 80s pavement condition index (PCI) and deferred maintenance is eliminated or about 2.9 bil is needed just to maintain existing PCIs as is.
 - San Mateo County has some of the better pavement conditions in the state (ranked at 70), but overall still not considered “good”
 - Slipping to 60s and 50s poses significant deterioration risks which cost more money to fix and maintain.
 - The “good” category ranges from 70 to 79, while streets with PCI scores in the “fair” (60-69) range are becoming worn to the point where rehabilitation may be needed to prevent rapid deterioration.

- *STIP is Broke*
 - We have heavy congestion on all of our State Highway Systems in our County. US 101, SR 92, I-280
 - Industry is putting a lot of pressure on everyone to fix the problem.
 - There is no real money to help.
 - Over \$200 million is needed to fund capital projects in San Mateo County’s Highway Program pipeline.
 - 2016 STIP had zero capacity at the start of the year but the gas tax swap is creating havoc and in January the CTC proposed to cut the revenue fund estimate over \$750 mil. According to CTC formula the cut to San Mateo share is \$10 mil but could be more due to advance of funds from other counties.

- *Redirect Existing/New Revenues*
 - C/CAG supports Governor’s Budget and Frazier’s bill AB 1591.
 - C/CAG is following the implementation of the road-user charge and would urge law makers to consider its impacts on commuters in and out of the County.

- New or redirected revenue should be returned locally to the source as much as possible.

US Highway 101 HOV/HOT Lane:

- C/CAG will eventually need some sort of toll authority to implement an express lane on the US 101 Corridor. We hope that any new legislated authority would respect local control and return to source revenues.
- Environmental phase of this project has started. Political support is key to the success of this project as it is regional in nature and crosses many jurisdictions. We appreciate all the work Kevin Mullin’s office is doing for this project.
- A project of this magnitude requires funding that is hard to get in this economic climate. We hope that state funding would be made available for this type of project.

San Mateo Countywide Stormwater Program and Funding:

- *Proposition 218 Reform* - Support AB 1362 (Gordon) and associated constitutional amendment (pending). Until stormwater is on equal footing with water and wastewater in terms of the ability to generate local revenue without a requirement for voter approval, municipalities will continue to be dependent upon funding from state or federal sources to meet mandated water quality requirements. The Public Policy Institute estimates \$500-800 million per year annual shortfall statewide to meet stormwater quality requirements.
- *Green infrastructure* - provides significant benefit beyond water quality improvement, including climate change adaptation, flood control, groundwater recharge, and urban heat island reduction. Green infrastructure needs to be integrated into other statewide priorities and investments, such as cap and trade, active transportation, sustainable community strategies, and climate change adaptation. There is especially a need to facilitate easier pairing of transportation planning and funding with stormwater planning and funding to implement integrated green infrastructure/transportation projects.
- *Unified approach statewide on stormwater management*- Discussions about stormwater capture, use, and recharge for water supply concerns are not consistent with the water quality mandates from the State and Regional Water Boards. Stormwater resource planning is now mandated to access bond funds, but costly permit mandates may not be consistent or related to stormwater capture projects (e.g., trash control or water quality monitoring). All state agencies need to be on the same page in discussing the entirety of stormwater management.

C/CAG Legislative Priorities:

- Copies of Legislative Priorities are included in our packet