

Proposition 6: November 2018

Possible Impacts to Transportation Funding in Calaveras County



November 2018 General Election Ballot

- **“Proposition 6: Voter Approval for Increases in Gas and Car Tax”**
 - *“Requires the Legislature to submit any measure enacting specified taxes or fees on gas or diesel fuel, or on the privilege to operate a vehicle on public highways, to the electorate for approval.”*
 - Retroactive to January 2017
 - Repeals SB 1, passed in 2017 - \$5.2 billion annually for transportation

- **What is SB 1 ?**





The Road Repair & Accountability Act of 2017

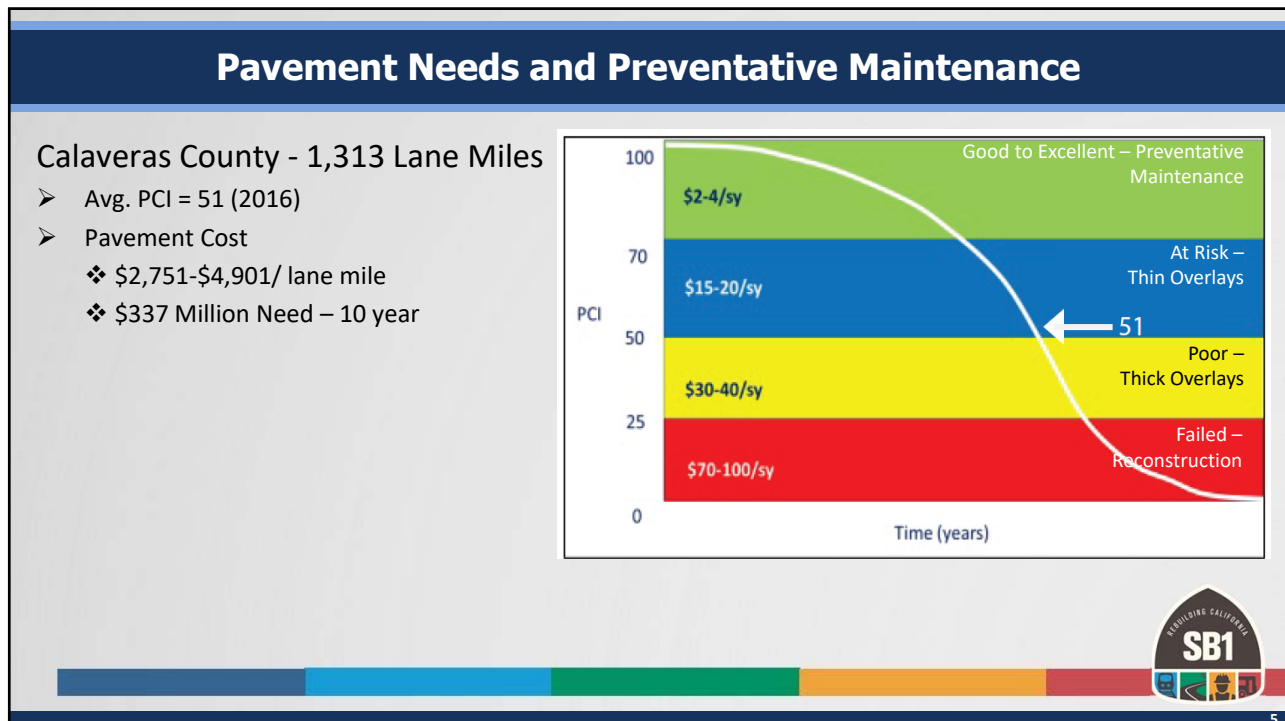
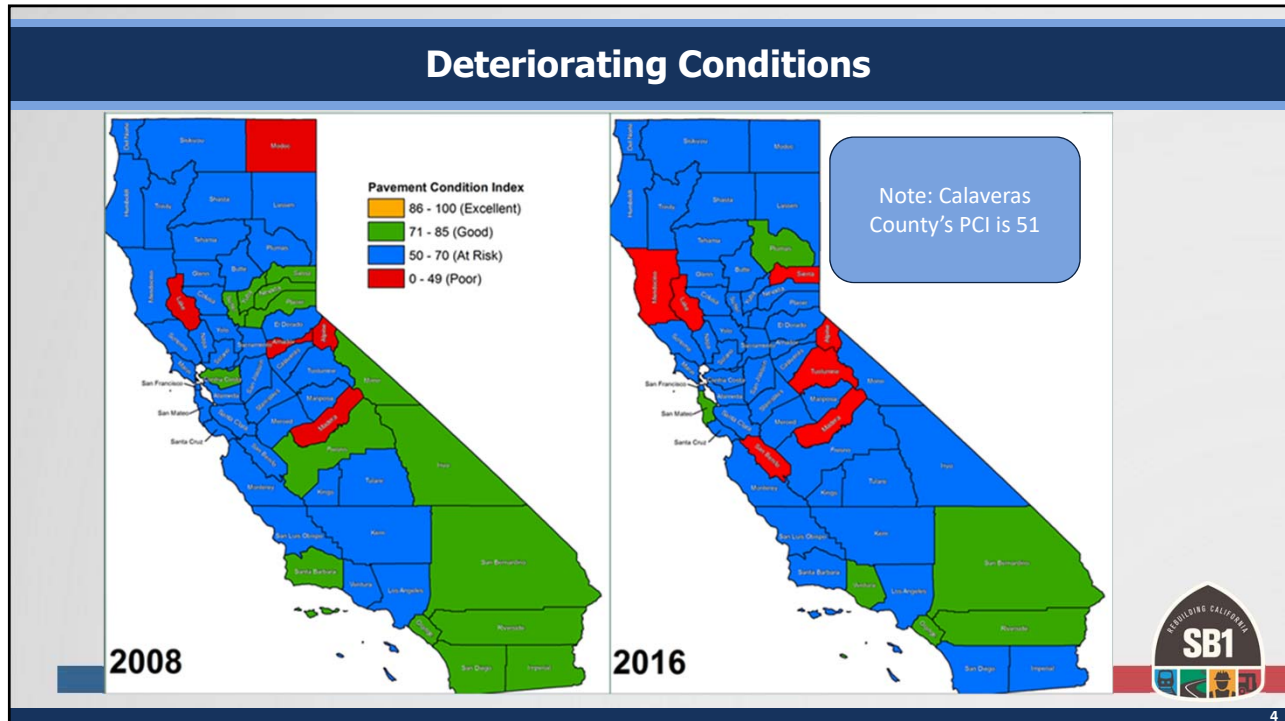
SB1 - Understanding the Need

Two Main Reasons behind SB1

1. Documented FACT that roads were **deteriorating, maintenance backlog was growing, and revenue was not adequate**
 - \$132 billion backlog in needed repairs
 - \$59 billion state highways
 - \$73 billion local roads
 - Calaveras County's 10-year unfunded need over \$300 million
www.savecaliforniastreet.org

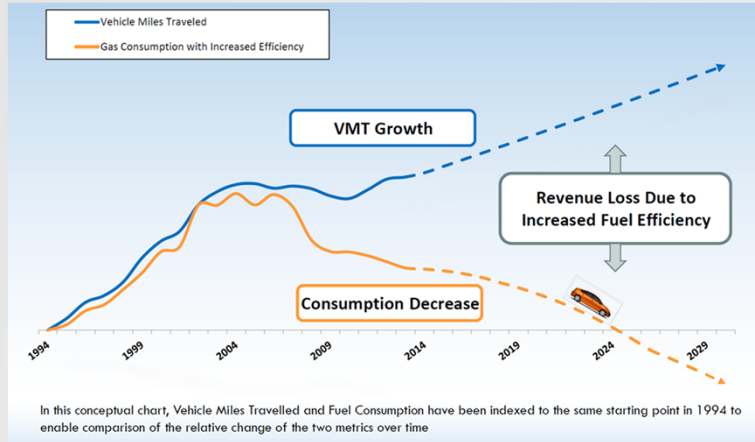
Source: Statewide Local Streets and Roads Needs Assessment (first report 2008 to educate legislators on the need. Most recent update in 2016 showed the continuing trend of need)
2. Gas Tax was, and to a lesser extent still is, a **Declining Revenue Source**
 - No adjustment for inflation - Purchasing power had decreased 42% in terms of construction costs
 - More fuel efficient vehicles





Declining Revenue Source

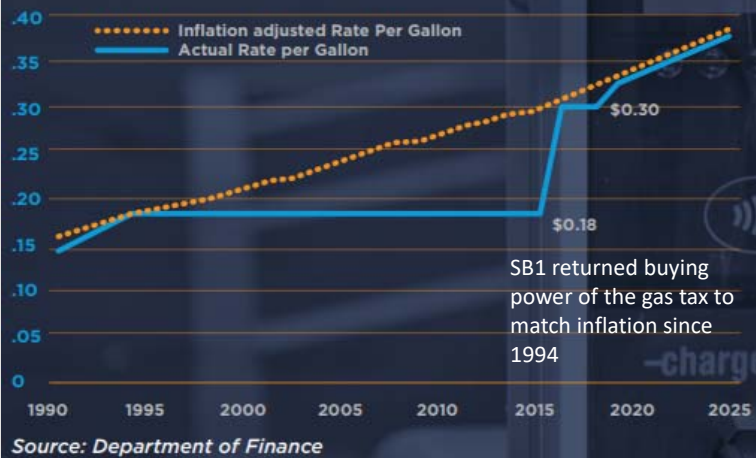
- Gas tax was and continues to be a declining revenue source
 - No Adjustment for Inflation prior to SB1
 - The 18-cent per gallon tax set in 1994 is currently worth about 9-cents when adjusted for inflation and mileage
 - More Fuel Efficient Vehicles and more Electric Vehicles – good, but impacts revenue



6

Accounting for Inflation

Figure 1 - Senate Bill 1 Gas Tax Stabilization



7

SB-1 Background

- Two years of negotiations between Senate, Assembly and Governor - Enacted in April 2017
- Final package required 2/3 vote in legislature
 - 27-11 in Senate
 - 54-26 in the Assembly

SB 1 Revenue Sources:

- 20-cent/gallon increase in diesel excise tax
- 12-cent/gallon increase in state's gasoline excise tax: Inflation adjustment to restore tax's purchasing power (last adjusted 1994)
- Transportation Improvement Fee: Annual registration charge on vehicle value & depreciates over time -\$25 to \$175; 60% will pay \$50 or less
- \$100/yr annual zero-emission vehicle registration charge: (e.g. electric plug-in cars)
- 4% rate increase in sales tax on diesel fuel



8

SB-1 Background

- Raises \$5.2 billion\year from new taxes and fees
- New taxes cost average California driver \$10\month
- Stable source of revenues, future inflation adjustments
- 50% for state infrastructure, 50% local agencies
- Emphasis
 - Fix-it-first: deferred maintenance
 - Enhance Trade Corridors
 - Transit
 - Active Transportation
 - Repair Local Roads
- No funds raised go to High Speed Rail
- Inspector General appointed by Governor



9

Expenditures: \$52 Billion Over 10 Years



➤ \$26 BILLION – **State Programs**



➤ \$19 BILLION – **State Highway Operations & Protection Program (SHOPP)**



➤ \$3 BILLION – **Trade Corridors Enhancement Program**



➤ \$2.5 BILLION – **Solutions for Congested Corridors Program**



➤ \$275 MILLION – **State Transp. Improvement Program – Interregional Share**



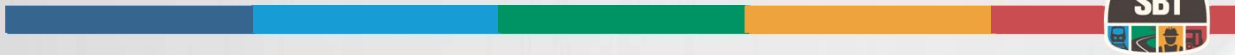
➤ \$250 MILLION – **Freeway Service Patrol**



➤ \$70 MILLION – **California University Transp. Research Programs**



➤ \$800 MILLION – **Off-Highway Vehicle, Boating, and Ag. Programs**



Expenditures: \$52 Billion Over 10 Years



➤ \$26 BILLION – **Cities and Counties**



➤ \$15 BILLION – **Local Street & Road Maint. & Rehab.**



➤ \$1 BILLION – **Active Transportation Program**



➤ \$250 MILLION – **Local Planning Grants**



➤ \$825 MILLION – **State Transp. Improvement Program – Regional Share**



➤ \$2 BILLION – **Local Partnership Program**



➤ \$7.5 BILLION – **Transit Operations & Capital**



Prop 69 on June 2018 Ballot: Accountability

- Passed with 81.3% support
- Prohibits the Legislature from borrowing or diverting SB 1 revenues for non-transportation purposes.
- Ensures SB 1 funds can only be used for transportation improvement purposes.
- CCOG Board Resolution of Support – May 2018



12

Senate Bill 1 – Projects Underway

- Projects already underway across California
 - Filling Potholes and Repaving/Resurfacing
 - Improving Bridge Safety
 - Traffic Congestion Relief
 - Road Safety
 - Pedestrian Safety
- Projects in Every Community:
 - 6,500+ projects
 - 479 cities
 - 58 counties



SB-1 Funded Projects to Date – Calaveras County			
FUNDING	RECIPIENT	SB-1 PROGRAM	PROJECTS
\$90,737	Angels	Local Street & Road Maintenance – Formulaic	Repave\Reconstruct Acorn Drive
\$3,191,247	County	Local Street & Road Maintenance – Formulaic	Multiple as adopted by BOS for FY 17/18 and 18/19
\$549,329	CCOG, City, County	Caltrans Transportation Planning Grants – Competitive	Valley Springs Complete Streets Infrastructure Plan Angels Camp North Main Street Complete Streets Plan and Copello Pedestrian Connector Pope Street Class I Facility and Safe Routes Gap Fill Plan
\$1,900,000	Angels	Active Transportation Program (ATP) – Competitive	SR-49 Sidewalk Gap Fill – Right of Way and Construction funds
\$605,000	Caltrans	SHOPP – Formulaic	SR-4 Bridge Replacement, Cherokee Creek between Angels Camp and Copperopolis
\$757,000	Caltrans	SHOPP – Formulaic	SR-4 and SR-26 upgrade bridge rails at Angels Creek and south and north fork of Mokelumne River
\$63,872	Caltrans	SHOPP Minor – Formulaic	Culvert replacement on SR-4 and SR-26 at various locations
\$230,000	Caltrans	SHOPP Minor – Formulaic	Culvert Replacements various locations: SR 12 south of Sawmill Street in Valley Springs, SR 29 from Church St. to west of Lafayette St in Mokelumne Hill, and north of Pine St./Bald Mountain Rd. in West Point
\$121,791	Calaveras Transit – County and JPA	State of Good Repair (SGR) – Formulaic	Maintenance and repair of Calaveras Transit buses
\$334,809	Calaveras Transit – County and JPA	State Transit Assistance (STA) Augmentation – Formulaic	Flexible funding for transit operations and capital replacement
\$7,843,785			

14

SB 1 – “Year 1” Calaveras County Local Road Maintenance Projects and Impacts															
SB 1 (RMRA) Project List						Scoring Criteria							Cost	Miles	Proposed Completion
Type of Project	Location	Detailed Location	Total Miles	Useful Life	Estimated Cost	Public Health & Safety	Threat to County Asset	Demand & Emergency Response	Public Welfare	Leverage	Efficiency	Total Points			
Culvert Replace/New	Multiple	Meadow Dr 84" Love Creek 72" Pine Dr 36" Dunbar 4-48"	0	30 yrs	\$ 310,000	12	12		7	6	4	41	Project List for FY 17/18 Resolution Adopted by BOS on 10/10/2017		
Chip Seal	Valley Springs	McDaniel & Marsden Ln - .27 mi Heinemann to Hartvickson Rd	0.27	10 yrs	\$ 48,000		12			6	4	22			
Chip Seal	Murphys Ranch Subdivision	Adams Ct (.06 mi) Wingdam Rd (.32 mi) Roaring Camp Dr (.261 mi) Coyote Dr (.32 mi) Kenny Rd (.08 mi) Total Mileage = 1.041 mi	0.06 0.32 0.261 0.32 0.08	20 yrs	\$ 200,000		12	9		6	4	31			
Chip Seal	Copperopolis	Bow Dr - 1.4 mi Little John Rd to Little John Rd	1.4	10 yrs	\$ 240,000		12			6	4	22			
Chip Seal	Valley Springs	Cane Ln - .220 mi Rippon to Hartvickson Rd	0.22	10 yrs	\$ 45,000		12			6	4	22			



15

Calaveras County SB 1 Projects - Next Steps

1. Next Week: County issuing Request for Qualifications for upcoming projects, including SB 1 projects, FEMA/Federal Highway Administration (FHWA) “Emergency Relief” projects, and other priorities.
2. Consultants for SB-1, FEMA, FHWA projects under contract by end of 2019.
3. Board of Supervisors will be presented staff recommendations for “Year 2” SB 1 projects, with greater geographic diversity, by end of 2019.
4. ***Year 1 and Year 2 SB 1 projects will be ready for construction in Spring 2019, following end of winter/spring weather.***



16



Prop 6\SB1 Repeal Advocates Say

- California has a high cost of living
- New car and gas tax is regressive
- Hits working and poor harder than wealthy
- Sacramento has a \$16 billion budget surplus
- Budget surplus should be used on transportation
- If State spent fees and taxes on transportation that were in place before SB1 was enacted, State would have \$5.6 billion per year

More Supporter Information: <https://voteforprop6.com/>

Broad coalition opposed to Prop 6



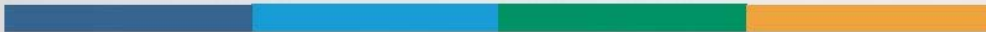
Pro-SB1 Coalition Members Say

- **Repealing SB-1 jeopardizes public safety:**
 - Poor roadways are a factor in over 50% of the 3,623 fatalities on CA roads in 2016
 - Halts roadway improvements that will save lives
- **...Stops Projects in Every Community**
 - More than 6,500 projects already identified by cities & counties
 - 50% of funds go to cities & counties
- **...Stops Improvements in Congestion Relief**
 - \$250 million\yr. for congested corridors
 - \$300 million\yr. for trade corridors



Pro-SB1 Coalition Members Say

- **...Costs Drivers More in the Long Run**
 - Average driver spends \$739\yr. on car repairs due to bad roads
 - Maintaining roads costs 8x less than fixing roads
- **...Hurts Job Creation, Economy**
 - SB 1 generates \$183 billion in economic activity and driver benefits
 - Creates or sustains 68,000 jobs per year
 - 77% are outside of the construction industry



Prop 6 – Regional and Local Impacts

1. Annual Revenue Lost to Each Jurisdiction

Impact of SB 1 on FY 18-19 Formulaic Local Street and Road Maintenance Revenues				
Agency	Without SB 1	With SB 1	SB 1 Revenue Increase	SB 1 % Increase
City	\$97,667	\$169,499	\$71,832	42%
County	\$2,554,468	\$5,105,184	\$2,550,716	50%
TOTAL	\$2,652,135	\$5,274,683	\$2,622,548	50%

Source: California State Association of Counties (CSAC) Budget Year Estimates, 06/20/18

Program Service Implications - Pavement Deterioration

- A 50% cut will impact road maintenance budgets and ability to catch up on deferred maintenance



Prop 6 – Regional and Local Impacts

2. Annual Revenue Lost to Transit

Impact of SB 1 on FY 18-19 Formulaic Transit Capital and Operating Revenues			
Transit Revenue	Without SB 1	With SB 1*	SB 1 % Increase
State of Good Repair (new) - Capital and Maintenance	\$ -	\$60,489	100%
State Transit Assistance (Augment) - Operating and Capital	\$169,040	\$382,227	126%

**Based on 17/18 revenue estimates prior to SB 1*

Program Service Implications - Reduced or cut Transit Services

- Loss of bus replacement funding and operating revenues



Prop 6 – Regional and Local Impacts

3. Potential Revenue Lost Over 10-Year Period

Street & Road Maintenance	
City of Angels	\$1,127,000
County of Calaveras	\$39,739,000
Total	\$40,866,000
Public Transit	
Calaveras Transit – Transit Capital	\$600,000
Calaveras Transit – Transit Operations	\$2,000,000
Total	\$2,600,000
Highway Improvements	
Calaveras COG RTIP	\$4,000,000
Discretionary\Competitive	
ATP, SHOPP, Planning Grants, etc.	\$10,000,000
TOTAL	\$60,066,000

Program Service Implications

- Funding that can be used to accelerate long-awaited highway or large-scale regional
 - Regional formula funding (RTIP) for projects like Wagon Trail
- Loss of additional revenue to SHOPP program to fund state highway improvements



Prop 6 – Regional and Local Impacts

4. Long-Range Project Impacts

- ❖ Over 300 projects identified in the Regional Transportation Plan (20-Year Plan)
- ❖ \$350 Million unconstrained project need identified
- ❖ Project Categories
 - Roadway Capital
 - Roadway Maintenance
 - Bridge
 - Transit Capital
 - Transit Operating
 - Bicycle and Pedestrian
 - Airport Capital

5. Loss of Leveraging Potential

- ❖ SB 1 introduced new and augmented existing competitive grant programs that
 - Allow our relatively small agencies to fund large projects
 - Used to leverage local and regional funds
 - ATP program doubled amount available through SB 1 – Main source of funding for bike/ped projects
- ❖ Loss of additional revenue to SHOPP program to fund state highway improvements



24

Recommendation Tonight

- Executive Management Group recommended council consider taking a position on Proposition 6, “Voter Approval of Gas and Vehicle Tax Initiative”.



25



Questions?

