

From: Kiana Buss <kbuss@counties.org> **Date:** July 15, 2015 at 5:04:24 PM PDT
To: Kiana Buss <kbuss@counties.org> **Cc:** Chris Lee <clee@counties.org>, DeAnn Baker <dbaker@counties.org>, "Matt Cate" <mcate@counties.org>
Subject: CSAC Request for Action & Update on State Legislature's Transportation & Infrastructure Special Session

To: CSAC Board of Directors / Housing, Land Use and Transportation Committee
Public Works Directors / Legislative Coordinators / CEAC Transportation Committee

From: Kiana Buss, Legislative Representative / Chris Lee, Legislative Analyst

Re: CSAC Request for Action & Update on State Legislature's Transportation & Infrastructure Special Session

Status Update and Hearings

Since the Governor called the transportation and infrastructure special session on June 16, both houses of the Legislature have formed special session committees and held informational hearings on transportation funding needs. Representatives of local agencies, including CSAC's President, Supervisor Vito Chiesa, figured prominently in the testimony heard by the special session transportation and infrastructure committees. Legislators have also begun to introduce bills, which are mostly reintroductions of regular session bills or spot bills that will later be amended.

A complete list of transportation special session bills and CSAC positions is available online here: <http://ctweb.capitoltrack.com/public/publish.aspx?session=15&id=c11d615e-f218-428a-b87d-b4244497350f>.

Legislative Proposals

The most significant funding proposal yet to be introduced is SBX1 1 (Beall), which was initially identical to CSAC-supported SB 16.

The bill was amended yesterday, with the following key changes:

- 1) The gas tax increase would now be 12 cents rather than 10 cents;
- 2) The diesel tax increase would be 22 cents, rather than 12 cents, with a full 12 cents allocated to trade corridor improvement projects;
- 3) The bill would eliminate the complex rate-setting process for the price-based excise tax on gasoline and diesel (which replaced the former sales tax charged on these fuels) and instead set the rate at 17.3 cents and index the rate to inflation beginning in 2018;
- 4) Once a local jurisdiction has reached a pavement condition index of 85, it would be able to use funding raised by the bill for transportation purposes beyond what is identified in the bill;
- 5) Allowable uses of funding are identified as:
 - a. Road maintenance and rehabilitation.
 - b. Safety projects.
 - c. Railroad grade separations.
 - d. Active transportation and pedestrian and bicycle safety projects in conjunction with any other allowable project.
- 6) The bill retains the \$100 registration fee on zero-emission vehicles and the \$35 registration fee on other vehicles;

- 7) The bill eliminates the Vehicle License Fee hike, which would have been used to backfill the truck weight fees which are being transferred to the general fund to pay off transportation bonds, and replaces those revenues with a \$35 "Road Access Charge."
- 8) Finally, the bill no longer includes a five-year sunset, thus constituting a permanent funding package.

Senator Huff and the Senate Republican caucus have also introduced two measures into the special session that would constitutionally guarantee truck weight fees and any new transportation funding and dedicate cap and trade funding generated from fuels to streets and roads.

On the Assembly side, spot bills have been introduced by Transportation Chairman Jim Frazier, as well as bills by Assemblymembers Alejo and Perea related to ending the truck weight fee transfer and public-private partnerships, respectively. CSAC has been meeting with the Speaker's office and understands that the Assembly will likely consider a broader package than the approximately \$52-per-year road charge the Speaker proposed last winter. The Assembly Republican Caucus released a funding proposal on June 29th (attached) as well. For our part, CSAC is trying to find points of consensus to bring both parties in both houses together in support of a comprehensive new transportation funding package.

The Legislature is set to recess for a month long summer break this Friday, July 17 and we understand that there will not be any formal activity within the special session during the recess either. However, CSAC will be very active in a statewide outreach, education and advocacy campaign while members are back in their districts and we are asking for your assistance with those efforts as discussed below.

CSAC's Priorities

For CSAC's purposes, we've developed a list of priorities for any new transportation funding package and an initial ask of \$3 billion/year in additional funding for local streets and roads (funding estimates by county attached). This amount of funding would bring the average local road from a pavement condition of 66 ("at risk") to a score of 73 ("good"), whereas the amount of funding initially proposed by SB 16 would have simply maintained current average pavement conditions. The \$3 billion/year ask also reduces the funding shortfall by \$35 billion over ten years. This ask, as well as a handful of key principles for a funding package (see attached) were highlighted in CSAC's testimony before both committees and in a letter to the Governor.

Coalition Effort

CSAC continues to work with a broad coalition of stakeholders including other local and regional governments, business, labor and transportation advocates to achieve new funding in 2015. This coalition is working with Bicker/Castillo/Fairbanks, a well-known and highly effective public affairs firm, on a grassroots, media relations and public affairs campaign.

It is our goal to take the advocacy local, with in-district legislative meetings and grassroots activities, local media events, and social media over the summer recess and beyond. Stay tuned for additional opportunities to engage your delegation; there are a few opportunities in the works already:

CSAC Requests for County Action

- 1) **Save the Date: Participate in a Transportation Listening Session:** The legislature will be holding a series of listening sessions on transportation needs starting at the end of July similar to the field hearings held earlier in the year in Los Angeles and San Jose. Tentative dates include a

session in Los Angeles on July 29th, the Bay Area on August 19th, and in Fresno on August 28th. Stay tuned for more details as we work to identify speakers and coordinate public comment.

- 2) **Pass a Resolution in Support of New Transportation Funding:** At the request of Speaker Toni Atkins, CSAC and the League of Cities developed the attached sample resolution in support of new funding for transportation. The resolution outlines six broad concepts that any funding package should meet in order to gain local government support. The idea is that counties and cities can pass this more general resolution, rather than take a position on a specific proposal at this time (although many counties already have), since legislative leaders are still negotiating the details of the final package. CSAC encourages your county to consider this approach and if supportive, adopt the resolution as soon as possible.
- 3) **Develop an Anticipated Project List:** CSAC staff have been working with the County Engineers Association to provide illustrative lists of the types of projects that would likely be funded under the transportation funding package proposed by the Speaker last winter. Thirty-four counties have already provided such lists, which are helpful in educating members and the media as to the types of projects local communities can anticipate being funded with new revenues for local streets and roads.

Questions/Comments?

Please do not hesitate to contact Kiana Buss (916.650.8185 or kbuss@counties.org) or Chris Lee (916.650.8180 or clee@counties.org) if you need additional information or have any questions.

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<Assembly GOP Transportation Plan June 29 2015.pdf>

<LSR 3B in New Funding - County Shares 062915.pdf>

<CSACTransFundingPriorities_SpecialSession.pdf>

<City-County Sample Resolution - Extraordinary Session Transportation Fun....doc>