

John Cunningham

From: Kiana Valentine <kvalentine@counties.org>
Sent: Thursday, October 06, 2016 4:56 PM
To: Kiana Valentine
Cc: Chris Lee; DeAnn Baker; Merrin Gerety
Subject: Transportation Funding & Reform Update

To: Housing, Land Use, and Transportation Policy
Public Works Directors
CEAC Transportation Policy Committee
Legislative Coordinators

From: Kiana Valentine, CSAC Legislative Representative
Chris Lee, CSAC Legislative Analyst

Re: Transportation Funding & Reform Update

CSAC, along with our partners in the Fix Our Roads Coalition, have been working since the end of the regular legislative session to gain consensus within the Legislature and Administration on a transportation funding and reform proposal and to ensure action on a deal before the transportation special session expires on November 30th. As of yesterday, we have very positive indications that both houses are working towards a deal that could be voted on in the special session after the November election.

Many of you have inquired about what counties can do right now to help influence a successful outcome. Without a specific consensus plan to explicitly support right now, the most effective way for counties to engage is to reach out to their elected officials in the district and keep the pressure on in support of a bipartisan package that includes:

- 1) Returning all existing revenues to current projects,
- 2) Modest revenue increases, and
- 3) Important reforms to maximize efficiency and transparency.

The following talking points are similar to what we've shared in the past with some new suggestions to reflect a sense of urgency to get a deal done in November. Text highlighted in yellow indicates where counties should localize the information.

- The Legislature and Administration came together on a number of important policy issues in 2016 but transportation remains unresolved. Democrats and Republicans alike have stated publicly that transportation is a top priority for their party as has the Governor.
- The Legislature and Administration must come together before the special session expires to pass a reform and funding package and clear the deck for the year. Transportation infrastructure has been and should continue to be a place for bipartisan agreement.
- The Governor has his \$3.6 billion transportation plan, Senator Beall and Assembly Member Frazier came together behind a compromise package (SB X1 1 and SB X1 26) to raise \$7.4 billion a year, and both of these plans include important reforms and existing revenues that have been put on the table by Republicans. All the elements of the "deal" are in front of decision-makers – we just need our leaders to engage, negotiate and get it done.

- In May the CTC cut \$750 million worth of projects and delayed indefinitely another \$750 million more due to a lack of funding. Counties have faced similar cuts to revenues that are the life-blood of the basic maintenance and operations of the existing local street and road system.
- Last month, the situation got even worse. For the first month ever, counties (and cities) received **ZERO** dollars in price-based gas tax revenues because the bond-debt service requirements exceeded revenues generated (a seriously dire unanticipated consequence of the 2010 transportation tax swap). **As a result, the County of XXXXX, will have to YYYY.** For example, we had one county report that they are canceling their seal program as a result of the hit to gas tax revenues this month. Feel free to add any additional local information about how your budget will be impacted next year without a deal and any project cancelations, layoffs, and other impacts that will occur here.
- **XXXXX County's local streets and roads continue to deteriorate (our existing PCI is xxx, backlog is yyy, shortfall is zzz).** Without an influx of new statewide revenues the backlog of projects will grow and the price tag will continue to increase – a \$79 billion problem is already big enough!
- Twenty self-help counties already generate approximately \$4 billion a year at the local level for investment in the state highway system, local street and roads, transit and complete streets projects. Seven self-help counties are seeking extensions in November and seven new counties are pursuing measures to generate even more revenue.
- The gas tax has not been increased in over two decades. While the sustainability of the gas tax is of concern in the long-run, we need short-term action now to stop the bleeding while we research and evaluate alternative funding mechanisms. If we wait for the long term solution the problem will grow by BILLIONS of dollars.
- A lack of consensus and action by November is tantamount to a tax increase on future taxpayers. The time for action is now. **The County of XXXX urges our representatives to engage with your colleagues and your legislative leaders to make sure a transportation reform and funding package is passed before the end of November.**

Please let us know if you have any questions. When new information becomes available we will make sure to share it with you. As always, please share feedback with CSAC staff from your interactions with your state legislative delegation at home.

Kiana Valentine

Legislative Representative

Housing, Land Use, and Transportation

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