To: CSAC Board of Directors

County Administrative Officers
County Public Works Directors
County Legislative Coordinators
County Public Information Officers
CSAC Housing, Land Use and Transportation Policy Committee
CEAC Transportation Policy Committee
County Caucus

From: Kiana Valentine, CSAC Senior Legislative Representative Chris Lee, CSAC Associate Legislative Representative

Re: Prop 6 Fact of the Week: Summary of Facts

This email serves as CSAC's final Prop 6 Fact of the Week. CSAC staff hope that these emails have been helpful to counties in understanding transportation funding and policy and the implications Prop 6 will have on the ability of counties to provide a safe and efficient local street and road system for Californians as well as the potential impacts Prop 6 will have overall on California's economy, jobs, and quality of life. The information below is a summary of our past eight Prop 6 Facts of the Week and includes links to the original email should you want to review the specific topic in more detail.

1. <u>All Sources of Existing Transportation Funding, Including SB 1, are Dedicated and Protected for Transportation</u>

Gas taxes and other sources of transportation funding are dedicated to transportation and guaranteed by the State Constitution. The revenue cannot be diverted or loaned, even in a fiscal emergency! And all prior loans from transportation accounts are being repaid by the state General Fund by 2020.

2. Prop 6 Costs Tax-Payers More in the Long Run

SB 1 costs motorists an average of \$9.76 a month – far below the annual costs of repairs to vehicles caused by poor roads – and far less than the proponents want you to believe Prop 6 will save drivers. While Prop 6 may save motorists money at the pump in the short-term, Prop 6 will have direct impacts on the pocketbooks of motorists in the form of increase vehicle operating costs, lost economic opportunity, and ultimately makes the cost of critical infrastructure safety improvements and repairs that much more expensive in the future.

3. SB 1 Funds Are Critical and Necessary To Repair California's Roads & Bridges

Transportation, in the state and the nation, has traditionally been funded by motorist user fees. The state's current budget surplus is not a replacement for SB 1 or any long-term investment into our transportation infrastructure. In order to fund transportation from the general fund, it would require the state to cut funding from other important programs such as public safety, education and health and human services. Transportation requires long-term, robust and consistent funding. Prop 6 would eliminate a funding stream that meets all of these requirements, charges user fees commensurate with the use of the system, and is accountable and transparent.

4. CA Gas Taxes DO Fund Roads & Bridges

The base gas tax (18-cents) is dedicated to transportation purposes and guaranteed by Article XIX to be spent on transportation infrastructure projects. The price-based gas tax is also dedicated to transportation purposes and is guaranteed by Article XIX to be spent on transportation infrastructure projects. The 12-cent increment per SB 1 is, again, dedicated to transportation purposes and guaranteed by Article XIX to be spent on transportation infrastructure projects. The state uses their share of revenue

for state highway improvements and local governments invest this revenue into the local transportation network.

5. Defunding High Speed Rail Won't Solve Road & Bridge Funding Needs

According to the HSR website, "capital funding to develop the project will come from federal, state, local and private sources." All of the federal funding has either been spent or committed. Even if it were not spent/committed, the state *does not* have the ability to transfer ARRA grant money from one project to another without federal action. Of the \$9.95 billion in state bond funding, approximately \$4 billion remains. In order to repurpose any remaining bond funds, it would require a vote of the people. Even if the voters chose to recommit Prop 1A bond funding to roads and bridges, that \$4 billion would be one-time in nature. Highways and local roads need a steady source of ongoing revenue in order to reduce the \$130 billion backlog and begin to improve the safety and quality of our transportation infrastructure.

6. Prop 6 Eliminates Transparency and Accountability for Local Transportation Programs

SB 1 created a new level of accountability and better transparency for transportation programs in order to ensure Californians are getting the most out of their transportation dollars. If Prop 6 passes, it will eliminate these valuable new accountability standards, remove beneficial reporting requirements and reduce the transparency criteria regarding how California's transportation dollars are spent.

7. SB 1 - Congestion Relief, Goods Movement, Bike and Ped Safety, and More

SB 1 puts a premium on the repair, rehabilitation, maintenance, and safety of the existing transportation network, recognizing that we need to invest in the infrastructure we already have. To this end, over \$3.3 billion annually from SB 1 is dedicated to state highways, local streets and roads, and bridges for these critical purposes. At the same time, SB 1 also responded to the pent up demand for other targeted transportation investments to support the state's robust economy, address congestion, and ensure access to safer mobility options that meet the needs of all Californians. Specifically, SB 1 will fund the following competitive grant programs on an annual basis: \$300 million for the Trade Corridor Enhancement Program (competitive grant), \$250 million for the Solutions for Congested Corridors Program (competitive grant), \$200 million for the Local Partnership Program (formula and competitive grant), \$100 million for the Active Transportation Program (competitive grant).

8. Prop 6 Would Increase Local Street and Road Backlog by \$12 billion over Next Decade

The 2018 California Statewide Local Streets and Roads Needs Assessment Report (2018 Report) found that the infusion of new revenue from SB 1 (approximately \$1.5 billion for local street and road infrastructure improvements annually), will allow cities and counties to arrest the deterioration that has occurred on the local transportation network. This revenue also enables cities and counties to make safety improvements; expand pedestrian, bicycle and transit access and opportunities; and reduce the funding shortfall. Alternatively, if Proposition 6 is successful, the local street and road system will once again be in crisis. Road conditions will deteriorate and the funding shortfall will grow significantly. Specifically, if cities and counties lose \$1.5 billion in existing annual revenue, in just ten years:

- The funding shortfall will grow by \$12.2 billion for pavement needs on the local street and road system alone,
- The PCI will drop from the current PCI of 65 (at-risk) to 57, which is nearly in the poor category, and
- The percentage of local road miles in a failed condition will grow to nearly 29 percent.

9. Responding to the "Citizens' Lockbox" Initiative

The proponents of Proposition 6 recently filed another proposed initiative with the Secretary of State's Office intended to serve as a replacement to SB 1 should Prop 6 be successful. The proposal, titled the

Citizens' Lockbox for Road Repairs and Infrastructure Improvements, is not as simple as it appears. In short, the measure would defund local public safety and health and human services and divert those revenues to roads. At the same time, counties and cities would be given maintenance responsibility for highways within their jurisdictions.

Sample Social Media

- CA Constitution dedicates and protects gas taxes for transportation, even in a fiscal emergency. Don't
 take anyone's word for it, read for yourself: https://bit.ly/2M4LO9U. Prop 6 would eliminate guaranteed
 funding for #transportation projects. #RebuildingCA
- #California's roads & bridges are in critical need of repair. #SB1 created the necessary targeted funding we need to assure our state infrastructure is safe and usable for years to come. #RebuildingCA
- 100% of revenue that drivers pay in California's gas taxes are dedicated and constitutionally protected for transportation infrastructure. #RebuildingCA
- Do you have road improvements underway in your area? Chances are good they are funded by SB 1.
 Check out how SB 1 is funding needed road work in your neighborhood:
 http://rebuildingca.ca.gov/map.html

Kiana Valentine

Senior Legislative Representative Housing, Land Use, and Transportation California State Association of Counties® 1100 K Street, Suite 101 Sacramento, CA 95814 kvalentine@counties.org

Desk: 916/650.8185 Mobile: 916/266.3892