

## **Transportation**

### **Funding**

While the regular and special session on transportation funding came to a close last year with no resolution, the Governor's new transportation funding proposal in this year's budget represents an increase to \$43 billion over the next ten years.

Of the \$4.3 billion in new funding for transportation, \$1.16 billion would go to local streets and roads for maintenance and rehabilitation. Additionally, the Governor's proposal includes the following annual investments over the next 10 years:

- \$100 million for the Active Transportation Program.
- \$25 million for sustainable (SB 375) transportation grants
- \$270 million for Corridor Mobility Improvements on congested commute corridors.
- \$25 million for the freeway service patrol program.
- \$400 million for the Transit and Intercity Rail Capital Program.
- \$1.8 billion for highway repairs and maintenance on the state highway system.
- \$250 million for the state's major trade corridors.

These investments would be supported through the following revenue sources:

- \$2.1 billion Road Improvement Charge from \$65 fee on all vehicles, including electric and hybrid.
- \$1.1 billion from eliminating the annual adjustments to the gasoline excise tax and resetting the tax to the 2013-14 rate of 21.5 cents, adjusted annually for inflation.
- \$425 million from 11 cent increase to the diesel excise tax, adjusted annually for inflation.
- \$500 million in additional cap and trade proceeds.
- \$100 million in Caltrans efficiencies.
- \$706 million in loan repayments.

The Governor's budget transportation proposal represents a smaller package than existing legislative proposals in AB 1 (Frazier) and SB 1 (Beall), which would generate an additional \$6 billion annually upon full implementation. With a commitment from this legislature and Administration, the benefits of a comprehensive transportation funding proposal will far exceed the costs for Californians. These modest increases will help ease the costs drivers are already paying, an average of \$762 annually, to fix their vehicles due to poor road conditions

The Governor's budget proposal assumes adoption of the proposal. Cities, however, should note that if a funding package is not adopted, local streets and roads will continue to deteriorate. Please visit the League's hot issues webpage for additional resources on transportation funding.

### **Public Utilities Commission (PUC) Reform**

The Governor's budget summary includes a commitment from the Administration to continue to work on some of the PUC reforms that were enacted last year, including a directive for the Administration to work with the PUC to develop a reorganization plan to transfer regulatory oversight over transportation network companies and charter party carrier vehicles (shuttles, limousines, etc) to departments within the California Transportation Agency.