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Senate Transportation Funding Proposal Contains Important Revenues for California's Local Streets and Roads

The proposal announced today by Sen. Jim Beall (D-San Jose) to create a [five-year temporary funding](#) source for California's transportation system would provide much-needed funding to maintain and preserve local roadways, which comprise more than 80 percent of the state's system. Infrastructure investment is one of the League's top priorities for 2015. This proposal is supported by the League. *For more, see Page 2.*



CalRecycle to Release Criteria for its Greenhouse Gas Reduction Grant and Loan Program on April 21

CalRecycle is scheduled to present the [proposed criteria](#) for the Greenhouse Gas Reduction Grant and Loan Programs at a public meeting on Wednesday, April 21. These grants are for FY 2015-16. Application materials will tentatively be available in May with applications due in June/July. A video of the March 19 workshop, stakeholder comments, and background materials are available on [CalRecycle's website](#).

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"The success of our cities and economy depends on our ability to successfully move goods and people from one place to another. We put our economic future and public safety at risk by failing to adequately maintain our existing system of streets, roads, and highways." said Stephany Aguilar, president of the League of California Cities and council member, city of Scotts Valley. "Many of our city streets are on the verge of failing, and without increased investment their condition will rapidly decline. With a focus on preservation and maintenance of the existing system, Sen. Beall's proposal will make important strides in preventing such losses in these critical public assets. That's a goal we can all agree on."

Sen. Jim Beall's plan, SB 16, would expressly address the backlog of maintenance needs, and is estimated to generate between \$2.8 and \$3.6 billion annually and with the funds being directed to maintenance and preservation of local streets and roads and the state highway system. In addition, 5 percent of the revenues would be set aside to incentivize counties currently without a local transportation funding measure to approve such a measure.

The League has developed [preliminary estimates](#) of the revenues that cities could receive under the proposal. Cities should approach these numbers with caution as there are likely to be adjustments to the proposal as it moves through the legislative process.

The Senate plan proposes to raise revenues through:

- A 10 cent increase in the excise tax on gasoline and diesel;
- \$35 Vehicle Registration Fee (VRF) increase for all vehicles;
- A \$100 VRF increase for zero-emission vehicles;
- Payback of outstanding transportation loans over a three-year period; and
- Truck Weight Fees would be returned to the transportation fund over a five- year period (20 percent annually). The General Fund would be backfilled by a 0.35 percent increase in the VLF over the five-year period (raised in 0.07 percent increments over the five-year period).

The League has been at the table along with other transportation stakeholders to consult with the Senate on the core provisions in the proposal. The League board of directors on April 3 met to discuss and take action on the proposal in anticipation of its official public release this week.

California's local streets and roads are literally facing the tipping point. [Pavement conditions](#), according to the [2014 Local Streets and Roads Needs Assessment](#), are at 66 out of 100. The cost of repairing roads that slip any lower grows exponentially and transportation experts have been warning that without immediate investments, the system will literally crumble beneath our feet. Currently local agencies receive just half of the revenues to maintain the local system.
