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The League of California Cities® is participating in [Infrastructure Week](#), May 16-23 to help give greater attention to the fact that infrastructure is a critical issue that impacts all Americans. Now in its fourth year, the week comprises a series of events as well as media coverage, education and advocacy. *For more, see Page 2.*



How to Reverse the Nation's Declining Infrastructure Crisis

New NLC Report Highlights How Local Infrastructure Should Be Paid for in a New Era of Federalism

The [National League of Cities \(NLC\)](#) announced on May 16 the release of a new report on the ability of cities to address the nation's growing infrastructure challenges. Despite the fact that infrastructure is a critical part of daily life for all Americans, the U.S. infrastructure deficit continue to grow daily. Traditional means of paying for infrastructure no longer cover the costs of building, operating and maintaining road, transit and water/wastewater systems. Uncertain federal and state funding has placed responsibility squarely on local governments to take up this challenge, however the ability of cities to do so is bound by levers authorized to them by their states. *For more, see Page 3.*



Bills in Committee: May 16-20

Friday brought the release of the highly-anticipated [May Budget Revision](#) with Gov. Jerry Brown holding a press conference in the morning to outline his revised budget proposal for FY 2016-17. The action now moves to the Legislature as hearings commence and negotiations occur. *For more, see Page 3.*

Infrastructure Matters is this year's theme, designed to tell the story of what infrastructure means to Americans. Infrastructure comprises streets, roads, bridges, rails, pipes, the power grid and much more. Americans rely on infrastructure for every facet of life from commuting, shopping and recreating to moving goods to turning on the faucet for water and flipping a switch for electricity.

NLC Issues Report

The National League of Cities on May 16 released [Paying for Local Infrastructure in a New Era of Federalism](#), which is a comprehensive study of the nation's infrastructure crisis. The report shows that cities need a more deliberate approach that recognizes the central role of infrastructure in the success of our nation's economic engines. To achieve this, cities need strategic and predictable investment from federal and state governments; better communication between cities and states on funding priorities; and greater local authority to raise revenue and implement creative solutions with multi-sector partners.

As part of Infrastructure Week, League Executive Director Chris McKenzie participated in a national press event with the National League of Cities. McKenzie, one of five speakers on the conference call provided a state perspective on infrastructure needs. NLC's new report served as the basis for the discussion with reporters.

California's Local Infrastructure

The League has consistently set infrastructure as a priority because it is such a core function of cities. Increasing funding for critical transportation and water infrastructure is the organization's top [strategic goal](#) for 2016.

California's local streets and road system is in dire straits with approximately \$40 billion in deferred maintenance and repair needs. The local system has a \$78 billion shortfall for the next decade. Without additional funding, by 2024, one-quarter of all local streets and roads will be in failed condition according to the [Local Streets and Roads Needs Assessment](#). California's streets, roads, bridges and highways are the lifeline of this state.

Cities and counties own and maintain more than 80 percent of all of California roadways and this biennial study, which will come out again in fall 2016, has tracked local street and road conditions since 2008. Conditions have deteriorated since the first survey ago when the statewide average was 68. Today it's dropped to 66, which falls into the at risk category. This survey found that although existing funding for California's local roadways is \$1.7 billion annually, the actual need to merely maintain current conditions is \$3.3 billion. Of California's 58 counties, an alarming 54 have streets and roads that are either at risk or ranked in poor condition. In 10 years, it is projected that 25 percent of local streets and roads will be ranked poor.

Water infrastructure is also of paramount importance and with the drought, greater attention has been put to fix leaking pipes as a conservation measure. Last week, the State Water Resources Control Board came out with draft guidelines that will permanently prohibit water wastage as well as take action with the Department of Water Resources (DWR) to fix leaking pipes. DWR, in fact, estimates that leaks in water district distribution system account for 700,000 acre feet of water annually. Audits have shown that on average, water utilities lose 10 percent of their total supply due to leaks.

Transportation Rally Calls on Legislative Leaders to Prioritize State and Local Transportation Needs

Thursday, the League will be joining the [Fix Our Roads Coalition](#) to rally on the South Steps of the Capitol in Sacramento at 10 a.m. This group comprises a broad coalition of cities, county, transportation advocates, labor and business that formed to meet Gov. Jerry Brown's call to address California's chronic transportation infrastructure shortfall. The May 19 rally is expected to bring hundreds representatives from the coalition to Sacramento to demonstrate the urgency for the Governor and Legislature to act now to fix California's crumbling roads.

League Executive Director Chris McKenzie issued a [video invitation](#) to this important event, urging city officials to take part in this rally.

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[Paying for Local Infrastructure in a New Era of Federalism](#) presents a state-by-state analysis and comparison of the local tools to fund infrastructure, including local taxes and fees as well as emerging mechanisms such as state infrastructure banks and public-private partnerships. This report, the second annual collaborative project with the state municipal leagues, is based on federal, state and local government data as well as a survey and interviews with state municipal leagues.

"A new federalism — one in which cities lead on the nation's most critical challenges — is emerging," said NLC's CEO and Executive Director Clarence E. Anthony. "Despite increased responsibilities for our nation's infrastructure, the authority of cities to raise revenues and meet the needs of their communities remains limited by the states."

The report's findings include:

- 29 states authorize local option sales taxes
- 16 states authorize local option fuel taxes
- 26 states authorize local option motor vehicle registration fees
- 32 states authorize public private partnerships
- 27 states have state infrastructure banks

"The infrastructure funding relationship that cities have with their states is complex," said NLC's research director and report co-author Christiana K. McFarland. "Our new research establishes a foundation of understanding about this relationship across the states, reveals the unequal access that cities have to critical funding tools, and underscores the need for greater local control."

The report shows that cities need a more deliberate approach that recognizes the central role of infrastructure in the success of our nation's economic engines. To achieve this, cities need strategic and predictable investment from federal and state governments; better communication between cities and states on funding priorities; and greater local authority to raise revenue and implement creative solutions with multi-sector partners.

For more information about this report, please contact [Tom Martin](#), National League of Cities at (202) 626-3186.

'Bills in Cmte' Continued from Page 1...

The Legislature's regular legislative policy committees continue and bulk of bills that the League is tracking will be heard in the appropriations committees of both houses. [A full listing](#) of Senate and Assembly hearings is available online. Hearing times are subject to change.

Additional information about the important bills the League is tracking is available in the 2016 Hot and Priority Bill List. Published on April 15, this list will continually be updated throughout the remainder of the Legislative Session. Bill language and any available position letters on legislation can be found through the bill search function on the [League's website](#).

Monday, May 16

Senate Committee on Appropriations, 10 a.m., State Capitol, Room 4203

- **SB 868 (Jackson) State Remote Piloted Aircraft Act.** *League position: Support.*
- **SB 1166 (Jackson) Unlawful employment practice: parental leave.** *League position: Oppose.*
- **SB 1279 (Hancock) California Transportation Commission: funding prohibition: coal shipment.** *League position: Oppose.*

Wednesday, May 18

Assembly Committee on Appropriations, 9 a.m., State Capitol, Room 4202

- **AB 1561 (Garcia, C.) Sales and use taxes: exemption: sanitary napkins: tampons: menstrual cups and sponges.** *League position: Oppose Unless Amended.*
- **AB 1643 (Gonzalez) Workers' compensation: permanent disability apportionment.** *League position: Oppose.*
- **AB 1736 (Steinorth) Personal income taxes: deduction: homeownership savings accounts.** *League position: Support.*
- **AB 1969 (Steinorth) Affordable housing: home purchase assistance.** *League position: Support.*
- **AB 2121 (Gonzalez) Alcoholic beverage control: Responsible Beverage Service Training Program Act of 2016.** *League position: Support.*
- **AB 2257 (Maienschein) Local agency meetings: agenda: online posting.** *League position: Oppose Unless Amended.*
- **AB 2261 (Hernández, R.) Division of Labor Standards Enforcement: duties.** *League position: Oppose.*
- **AB 2441 (Thurmond) Housing: Workforce Housing Pilot Program.** *League position: Support.*

A Preview of Local Tax and Bond Measures in California June 7

Along with one statewide measure (Proposition 50), the Presidential Primary election in California on June 7 will decide some 165 local measures. Among these, 90 measures affect local taxes, including 57 bond authorizations with supporting tax increases, and one referendum to repeal a tax. Local schools are requesting a total of \$6.1817 billion in school construction bond authorizations. The California Local Government Finance Almanac has a full preview available [online](#).

Updated Highway Users Tax Revenue Estimates

Gov. Jerry Brown's May Budget Revision included slightly higher fuel tax revenue estimates for current year FY 2015-16 and Budget year FY 2016-17. The California Local Governance Finance Almanac has updated estimates for individual cities/counties [online](#).
