State Legislative Update

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July 23, 2013
**Bonds – Proposition 1B, Version 2.0?**

- Prop 1B very successful but nearing expiration
  - State’s debt service too high; “wall of debt”
  - Competition (schools, water bond)

- Polling... not awesome

- **Early Prediction:** Slim chance
New transportation funding?

**Lowering the Vote Threshold**

- Currently 2/3 for local funding measures

- Lots of legislative attention, but...
  - 19 Self-help counties for transportation (70% of all revenue)
  - 8 constitutional measures so far
    - Lots of competition for transportation
  - SCA 4 (Liu) and SCA 8 (Corbett) address transportation specifically

- Early Prediction: Legislature puts *something* on ballot, but not until *NEXT* year
Competing constitutional measures

- **ACA 3 (Campos)**: Allows >1% property tax for bond debt service on public safety buildings + allows 55% vote for special tax for public safety
- **ACA 6 (Gatto)**: Can only amend California Constitution w/55% vote
- **ACA 8 (Blumenfield)**: Allows >1% property tax for bond debt service on transportation (streets, transit, highways) & other public infrastructure facilities + allows 55% vote for bonds for same
- **SCA 4 (Liu)**: Allows 55% vote for special taxes for transportation projects

- **SCA 7 (Wolk)**: Allows >1% property tax for bond debt service on public library buildings + allows 55% vote for special tax for public libraries + allows 55% vote for bonds for same
- **SCA 8 (Corbett)**: Allows 55% vote for special taxes for transportation projects
- **SCA 9 (Corbett)**: Allows 55% vote for special taxes for community and economic development projects
- **SCA 11 (Hancock)**: Allows 55% vote for special taxes
New transportation funding?

“Vehicle License Fee” or “Vehicle Registration Fee”?

• Fee vs. Tax = All the same to voters?
  – Flexible uses
  – Focus likely on streets, roads and highways; a little transit rehab

• Polling... maybe

• Early Prediction: Tough sell, lots of interest... maybe legislative solution/ not to ballot (would guess VRF, not VLF)
New transportation funding?

**GOVERNOR BROWN’S “CALIFORNIA TRANSPORTATION INFRASTRUCTURE PRIORITIES” (CTIP) PROCESS**

- Authorized Transportation Agency Secretary to conduct review, with stakeholder panel

- Tackling California Transportation Commission’s $300 billion transportation “need” report
  - Gap can’t be addressed in one measure
  - Look for mix of tools
  - State must acknowledge High-Speed Rail *and* SB 375

- **Early Prediction**: Governor proposes... *something* (in 2014); work on it *after* re-election
Beginning in the spring of 2013, the Agency will convene a workgroup consisting of state and local transportation stakeholders to refine the transportation infrastructure needs assessment, explore long-term, pay-as-you-go funding options, and evaluate the most appropriate level of government to deliver high-priority investments to meet the state’s infrastructure needs.

- January 2013 Governor’s Budget
Preserve – Care for what we have - “fix it first.”

Innovate – Employ technology and better system management to help the state better meet its three core transportation objectives: safety, mobility, and sustainability.

Integrate – Implement SB375 plans, coordinate transit and high speed rail investments to improve system performance, and strengthen key state/federal/local/stakeholder partnerships.

Perform – Utilize performance measures to ensure taxpayers know their investments will have value.
1. How do we protect our transportation assets? What are our highest infrastructure priorities related to *preservation*?

2. What are the most promising transportation *innovations* to improve system performance?

3. Integration: How can we partner to support SB 375 implementation and Regional Transportation Plans? Where should California invest its funds to support seamless transportation?

4. How do we define “*performance*”? How do we measure return on investment for our infrastructure priorities?

5. What other questions do we need to ask related to transportation infrastructure priorities?
New Transportation Funding?

**CAP AND TRADE**

- **Fuel industry could generate billion(s)?**
  - Should be re-invested in GHG-reducing clean transportation
  - Should be overseen by regional and local governments
  - Auctions began/ have occurred in FY ‘12-13 [~$500 million+]
  - But fuel not fully capped until FY ’15
    - Governor put hold on program in FY ‘13-14

- **Transportation Coalition for Livable Communities**
  - California Alliance for Jobs; CSAC; League of California Cities; California Transit Association; CALCOG; MTC; NRDC; Transportation California; APCDs; COGs; etc.
  - Coalition message is STICKING

- **Early Prediction:** Good chance for significant 2015+ revenues; outside chance for FY ‘14-15 (don’t need ballot measure... yet)